AmInvestment Bank Berhad

Registration No. 197501002220 (23742-V)

(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements

31 March 2025

Registration No. 197501002220 (23742-V)

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONTENTS	**PAGE(S)**

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of AmInvestment Bank 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 provide a wide range of investment banking and related financial services which also include Islamic investment banking, investment advisory, shares and futures broking, fund management and investment research and publication activities.

The Islamic investment banking refers to the stockbroking and capital market activities undertaken in compliance with Shariah principles relating to investment banking services which are regulated by Securities Commission Malaysia ("SC") and Bursa Malaysia Berhad.

The principal activities of its subsidiaries are disclosed in Note 14 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	Bank
	RM'000	RM'000
Profit for the financial year	102,146	96,906

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.

DIRECTORS' REPORT (CONT'D.)

OUTLOOK FOR NEXT FINANCIAL YEAR (CONT'D.)

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.

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

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. The tariffs uncertainty and potential earnings pressure on export-oriented corporates will influence corporate financing decisions, transaction volumes and dampened market sentiment which may in turn impact deal activity and overall capital markets revenue stream. As at the date of report, the Assets Under Management ("AUM") remains stable. The Group will continue to monitor these developments closely and take appropriate measures to mitigate any potential adverse effects on its business.

DIRECTORS' REPORT (CONT'D.)

BUSINESS PLAN AND STRATEGY

The Group registered a profit before taxation ("PBT") of RM130.1 million for the financial year ended 31 March 2025, representing a 16.7% increase against last year. The Group's net income grew to RM370.6 million or 4.1% from RM356.0 million last year mainly contributed by closing more sizeable deals (five (5) Initial Public Offerings ("IPOs") in FY2025 vs three (3) IPOs in FY2024) during the year coupled with higher Bursa trading volume. Total brokerage fees and commission, wealth management fees and unit trust management fees were higher by RM21.0 million or 8.9%. The increase is partly offset by lower corporate advisory fees and arrangement and upfront fees of RM15.2 million or 24.3%.

Total expenses up by RM25.1 million or 11.4% attributable to the increase in personnel expenses of RM18.2 million, establishment costs of RM3.5 million and higher net service transfer pricing of RM2.1 million. The Group's profit after taxation ("PAT") registered at RM102.1 million, a RM38.9 million or 27.6% lower against last year, of which RM57.1 million tax credit was recorded in FY2024.

The Group's Common Equity Tier 1 ("CET1") capital ratio and Tier 1 capital ratio (after proposed dividend) improved to 40.23% (FY2024: 28.27%) and 39.36% (FY2024: 27.95%) respectively, while Total Capital Ratio improved to 40.87% (FY2024: 29.01%) and 40.09% (FY2024: 28.85%) respectively.

The Group is committed to grow with clients via the Road to Capital Markets programme ("RTCM") which serves as a key strategic platform to identify emerging clients with strong growth potential and market relevance. Through RTCM, the Group provides debt and project finance advisory services to corporate clients within the Business Banking and Mid-Corporation segment supporting their efforts to access capital markets for funding. In Wealth, the Group aims to enhance its wealth management business through a more integrated approach across lines of business, fostering greater cross selling opportunities, unlocking synergies and maximising the value of a unified portfolio. In the stockbroking segment, the Group will focus on digitalisation initiatives which includes upgrading the stockbroking platform to deliver an improved customer experience and better meet evolving customer needs. We expect the Bursa trading market to start off volatile in Quarter 2 CY2025 which will impact brokerage income growth. To further strengthen our market share and remain competitive, we are in the midst of upgrading the trading platform to better serve our customers which is expected to go live in June 2025.

The Malaysian financial capital markets are expected to be volatile in CY2025. Notwithstanding, the Government has implemented a number of measures to support businesses to create a more favourable environment for businesses to access financing, which will also lead to continued demand for capital market services. The Group remains committed to provide capital market fund raising and advisory services to all corporate clients, particularly in the Business Banking and Mid Corporate segments which remains the focus of the Bank.

In the current financial year, Fund Management delivered a strong performance, achieving a record net income of RM161.9 million and growing AUM to RM52.2 billion. This notable achievement was largely driven by sustained institutional and corporate inflows, reflecting client confidence in our investment capabilities and the strength of our client relationships. The performance was further supported by the establishment of a new direct sales team, which contributed to expanded distribution capabilities and enhanced client engagement.

Our success is also attributed to our focus and dedication to the Sustainable and Responsible Investment ("SRI") space. We continued to solidify our leadership by becoming the provider with the highest number of SRI-qualified funds approved by the SC in Malaysia, achieving a 30.4% market share and holding the largest market share in SRI funds. Additionally, we pioneered and continue to lead the Exchange-Traded Fund ("ETF") market in Malaysia as the largest ETF provider, with 79.5% AUM market share.

DIRECTORS' REPORT (CONT'D.)

BUSINESS PLAN AND STRATEGY (CONT'D.)

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

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

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

DIVIDENDS

In respect of the current financial year, the Board of Directors ("the Board") have declared an interim single-tier cash dividend of 10.3 sen per share on 314,035,088 ordinary shares on 24 October 2024 amounted to RM32,345,614 which was paid on 13 December 2024.

The Directors proposed the payment of a final single-tier cash dividend of 20.6 sen per share on 314,035,088 ordinary shares amounting to approximately RM64,691,228 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 allowance had been made for doubtful debts.

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

DIRECTORS' REPORT (CONT'D.)

CURRENT ASSETS

Before the financial statements of the Group and of the Bank were made out, the Directors took reasonable steps to ascertain those 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 that 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 would render adherence to the existing methods of valuation of assets or liabilities of the Group and 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 Bank has not issued any new shares and debentures during the financial year.

SHARE OPTIONS

There were no options granted during the financial year by the Bank 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 the Group including for the Bank and its subsidiaries. The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them. The gross amount of insurance premium paid by AMMB for the Directors and Officers of AMMB and its subsidiaries for the current financial year was RM418,425 (2024: RM418,425).

DIRECTORS' REPORT (CONT'D.)

DIRECTORS

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

Jeyaratnam a/l Tamotharam Pillai
Lum Sing Fai
Ramesh Pillai
Chee Li Har
Dato' Kong Sooi Lin
Datin Hayati Aman binti Hashim
Seow Yoo Lin (Resigned on 4 July 2024)

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

No.	Name of subsidiaries	Directors of the subsidiaries
1.	AmFunds Management Berhad	Jas Bir Kaur a/p Lol Singh Ng Chih Kaye Lim Kheng Swee (Appointed on 1 January 2025) Wong Weng Tuck (Appointed on 18 April 2025) Goh Wee Peng (Resigned on 1 April 2025) Jeyaratnam a/l Tamotharam Pillai (Resigned on 1 January 2025) Arnold Lim Boon Lay (Resigned on 1 January 2025)
2.	AmIslamic Funds Management Sdn Bhd	Chee Li Har Zainal Abidin bin Mohd Kassim Azian binti Kassim Wong Weng Tuck Mirza Shah bin Abdul Rahim Shah (Appointed on 18 April 2025) Goh Wee Peng (Resigned on 1 April 2025)
3.	AM Nominees (Tempatan) Sdn Bhd	Khoo Teck Beng Goh Wee Peng (Appointed on 17 April 2025) Hon Chu Nyaw (Resigned on 18 April 2025)
4.	AM Nominees (Asing) Sdn Bhd	Khoo Teck Beng Goh Wee Peng (Appointed on 17 April 2025) Hon Chu Nyaw (Resigned on 18 April 2025)
5.	AMSEC Nominees (Tempatan) Sdn Bhd	Ong Chin Liang Khoo Teck Beng (Appointed on 17 April 2025) Hon Chu Nyaw (Resigned on 18 April 2025)
6.	AMSEC Nominees (Asing) Sdn Bhd	Ong Chin Liang Khoo Teck Beng (Appointed on 17 April 2025) Hon Chu Nyaw (Resigned on 18 April 2025)
7.	AMMB Nominees (Tempatan) Sdn Bhd (Under Members' Voluntary Winding-Up)	Khoo Teck Beng Goh Wee Peng
8.	AmFutures Sdn Bhd (Under Members' Voluntary Winding-Up)	Stephennoel Kwong Yong Shian Hon Chu Nyaw
9.	AmResearch Sdn Bhd (Under Members' Voluntary Winding-Up)	Lee Yew Kin Khoo Teck Beng

DIRECTORS' REPORT (CONT'D.)

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 a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in Note 29 to the financial statements or other amount received from related corporations) by reason of a contract made by the Bank or a related corporation with a Director or with a firm in which a Director is a member, or with a company in which a Director has a substantial financial interest, except for the related party transactions as shown in Note 35 to the financial statements.

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

DIRECTORS' REMUNERATION

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	1,122	949
Other Emoluments	596	580
Benefits-in-kind	87	85
	1,805	1,614

AMMB EXECUTIVES' SHARE SCHEME

On 5 October 2018, 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 and its subsidiaries).

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 in 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' REPORT (CONT'D.)

CORPORATE GOVERNANCE

(a) DIRECTORS' PROFILE

MR JEYARATNAM A/L TAMOTHARAM PILLAI
Independent Non-Executive Chairman

Mr Jeyaratnam a/l Tamotharam Pillai, a Malaysian, aged 70, was appointed to the Board of the Bank on 1 October 2018 as an Independent Non-Executive Director. He assumed the Chairmanship of the Board on 25 January 2019.

Mr Jeyaratnam is also an Independent Non-Executive Director of AMMB, the holding company of the Bank. Prior to his appointment to the Board of AMMB, he was the Chairman/ Independent Non-Executive Director of AmFunds Management Berhad, a wholly-owned subsidiary of the Bank.

With over thirty five (35) years' experience in the financial and investment banking services industry, Mr Jeyaratnam is a seasoned banker having been involved in various assignments which included the listing of companies, mergers and acquisitions, takeovers, corporate restructuring and fund-raising exercises. Mr Jeyaratnam undertook Malaysia's first privatisation exercise and participated in various feasibility studies and cross border transactions in India, Ghana and the United Kingdom.

The area of expertise and experience of Mr Jeyaratnam also include deals origination, define corporate and funding structures, evaluate and negotiate deals, execution and implementation of deals. He has been working closely with various stakeholders such as corporate clients, investors, banks, government agencies, Bursa Malaysia Securities Berhad, SC and BNM.

During his career, Mr Jeyaratnam had served as Chief Executive/ Deputy Chief Executive of four investment banks over a twelve (12)-year period. He was also a member of the Sub-Committee of Bursa and the Capital Market Advisory Council of SC. Mr Jeyaratnam was appointed by the Minister of Finance to be part of the six-member team that was responsible in formulating the Malaysian Capital Market Masterplan. He was overseeing the Investment Banking, Stockbroking, Fund Management and Venture Capital Activities during his tenure in Maybank as the Head of Investment Banking Division.

Mr Jeyaratnam's past directorships included Westcomb Financial Group Limited Singapore, Kuwait Finance House (Australia) Pty Ltd, KFH Asset Management Sdn Bhd, Kuwait Finance House (Labuan) Berhad and Avenue Capital Resource Berhad.

Mr Jeyaratnam was appointed to the Board of Trustees of the Capital Market Development Fund by Minister of Finance.

Mr Jeyaratnam is a member of the Institute of Chartered Accountants in England and Wales and member of the Malaysian Institute of Accountants. He held a Capital Markets Services Representative License ("CMSRL Adviser License") and was a Qualified Senior Personnel ("QSP") approved by the SC.

Mr Jeyaratnam has no shareholding in the Bank.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(a) DIRECTORS' PROFILE (CONT'D.)

MR LUM SING FAI
Non-Independent Non-Executive Director

Mr Lum Sing Fai, a Malaysian, aged 60, was appointed to the Board of the Bank on 15 January 2019 as a Non-Independent Non-Executive Director. He is a Member of the Audit and Examination Committee of the Bank.

Mr Lum started his career in Southern Bank Berhad from 1987 to 1994 working in various capacities from operations to corporate banking. He is currently the Group Managing Director of Amcorp Group Berhad where he has successfully led a broad range of financial service endeavours during his 24 years' tenure in the company.

He has more than thirty (30) years of experience in the financial sector, having previously served as a director of ECM Libra Financial Group Berhad and ECM Libra Investment Bank Berhad.

Mr Lum is currently a Non-Independent Non-Executive Director of RCE Capital Berhad, a public listed company. He also sits on the Boards of Amcorp Properties Berhad and private companies within Amcorp Group Berhad.

Mr Lum holds a Bachelor of Economics (Hons.) (Business Administration) from the University of Malaya.

Mr Lum has no shareholding in the Bank.

MR RAMESH PILLAI
Independent Non-Executive Director

Mr Ramesh Pillai, a Malaysian, aged 60, was appointed to the Board of the Bank on 9 January 2017 as an Independent Non-Executive Director. He is the Chairman of the Risk Management Committee of the Bank.

Mr Ramesh started his career with Price Waterhouse's Financial Institutions specialism in London gaining experience in Audit, Consultancy and Corporate Finance assignments. He has fourty (40) years of risk management and governance experience, both in the public and private sector and has held various positions, including that of Chairman, Group Managing Director, Chief Executive Officer ("CEO"), Finance Director and Group Chief Risk Officer (in Conventional and Islamic Banks). He was also with Pengurusan Danaharta Nasional as its Chief Risk Officer as well as BNM as the Head of its Deposit Insurance Taskforce.

Mr Ramesh is currently the Chairman of the Board of Governors of the Institute of Enterprise Risk Practitioners (IERP® - providing professional certification in Enterprise Risk Management) as well as the Group Managing Director of Friday Concepts (International), an international boutique risk management consultancy, and TriasGRC, a Technology Company providing and implementing Governance, Risk and Compliance solutions. He is also an Independent Non-Executive Director of FWD Insurance Berhad (formerly known as Gibraltar BSN Life Berhad).

Mr Ramesh is a member (non-Board member) of the Board Audit Committee and Chairman of the Board Risk Management Committee for the Taylors Education Group and Proventus Education Pte. Ltd.

Mr Ramesh holds a Bachelor of Science (Honours) in Economics with Accountancy from Loughborough University, United Kingdom, where he specialised in Economics and Banking in general, and Islamic Banking in particular. He is a fellow of the Institute of Chartered Accountants in England and Wales (1991), a member of the Malaysian Institute of Accountants, a Certified Environmental, Social and Governance ("ESG") Risk Practitioner, a Certified Enterprise Risk Manager, a Certified Risk Professional, a Qualified Risk Director, a certified Islamic Enterprise Risk Manager and a Qualified Risk Auditor.

Mr Ramesh has no shareholding in the Bank.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(a) DIRECTORS' PROFILE (CONT'D.)

MS CHEE LI HAR
Independent Non-Executive Director

Ms Chee Li Har, a Malaysian, aged 64, was appointed to the Board of the Bank on 8 August 2018 as an Independent Non-Executive Director. She is a Member of the Audit and Examination Committee and Risk Management Committee of the Bank.

Ms Chee is also the Chairman/Independent Non-Executive Director of AmIslamic Funds Management Sdn Bhd ("AmIslamic Funds"), a wholly-owned subsidiary of the Bank. AmIslamic Funds is an Islamic investment solutions provider and licensed fund manager approved by the SC.

Ms Chee's three decades of experience in international and Malaysian banking saw her overseeing bankgroup-wide balance sheet management where she led medium strategies to manage both interest rate and liquidity risks. In this role, Ms Chee guided the banks to maximise business opportunities, achieved net interest margin across all classes of assets and liabilities, cost revenue targets and at the same time, optimised interest rate and liquidity risk management. She further enhanced her leadership skills via advanced programs at Oxford Said Business Schools, Institut Europeen d'Administration des Affaires ("INSEAD") and International Institute for Management Development ("IMD") throughout her career.

While in her Global roles, Ms Chee successfully led international teams in Singapore, Malaysia, Thailand, Indonesia, Vietnam, Brunei and even Mauritius to achieve at times, record breaking trading revenue targets. She was instrumental in managing post bank merger initiatives in Taiwan and Thailand.

Ms Chee is an avid artist and uses her creative energy to work with marginalised communities in Malaysia.

Ms Chee holds a Bachelor of Arts-Economics from University of Malaya. She is a Certified Financial Planner and a member of Persatuan Pasaran Kewangan Malaysia.

Ms Chee has no shareholding in the Bank.

DATO' KONG SOOI LIN
Independent Non-Executive Director

Dato' Kong Sooi Lin, a Malaysian, aged 63, was appointed to the Board of the Bank on 30 October 2019 as an Independent Non-Executive Director. She is a Member of the Risk Management Committee of the Bank.

Dato' Kong is also an Independent Non-Executive Director of AMMB, the holding company of the Bank.

Dato' Kong has more than thirty (30) years of investment banking experience with an extensive equity and debt transaction expertise, having advised on numerous highly profiled and industry-shaping corporate exercises in Malaysia and Asia Pacific.

Dato' Kong was the CEO of CIMB Investment Bank from March 2016 to March 2019, where her primary focus was to lead and sustain the growth of investment banking business in terms of revenue, profit and innovation. Prior to this, she was the Regional Head of Investment Banking of CIMB for the ASEAN Region.

During this period, her scope of responsibilities included being the Group Head of Private Banking where her responsibility was to helm CIMB's Private Banking business by building greater linkage between the business units across various geographies with the aim of growing AUM and profitability.

Dato' Kong is currently an Independent Non-Executive Director of Eco World International Berhad, IOI Corporation Berhad and PMB Technology Berhad.

Dato' Kong holds a Bachelor of Commerce (Honours) from University of New South Wales. She is also a Chartered Banker of Asian Institute of Chartered Bankers ("AICB"), Chartered Accountant of Malaysian Institute of Accountants ("MIA") and Certified Practising Accountant of Australia (Fellow).

Dato' Kong has no shareholding in the Bank.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(a) DIRECTORS' PROFILE (CONT'D.)

DATIN HAYATI AMAN BINTI HASHIM
Independent Non-Executive Director

Datin Hayati Aman Binti Hashim, a Malaysian, aged 58, was appointed to the Board of the Bank on 26 November 2021 as an Independent Non-Executive Director. She is the Chairperson of the Audit and Examination Committee of the Bank.

Datin Hayati has thirty (30) years of experience in Accounting, Audit, Financial Reporting, Regulations and Policies and Project Management. She has worked in two of the Big Four accounting firms in Malaysia and in the United States of America ("USA") for a total of 10 years, with work experiences in Audit, Corporate Finance, Corporate Restructuring and Liquidation. She then worked for eleven (11) years in a company listed on the Main Market of Bursa Malaysia Securities Berhad, where she was responsible for all aspects of Finance, Accounting, Treasury and Taxation for its group of companies.

Datin Hayati was Head of the Equities Department in the Corporate Finance and Investments Division of SC from November 2010 until January 2020 where, among others, she led the evaluation of initial public offerings and reverse takeover applications and the relevant disclosure documents and presented recommendation to the authorised SC committee. In that role, she was also involved in the formulation of regulations, strategic initiatives, policies and guidelines.

Since leaving the SC in 2020, Datin Hayati has created and developed a series of capital market courses, specifically on securities law, requirements and conduct in submission of applications for initial public offerings and has been engaged to provide relevant training to corporate finance professionals. She was also co-opted as member of Malaysian Institute of Certified Public Accountants ("MICPA")'s Commerce, Industry and Public Sector Committee effective 1 August 2020.

Datin Hayati is currently an Independent Non-Executive Director of Tokio Marine Insurans (Malaysia) Berhad and CapitaLand Malaysia REIT Management Sdn Bhd.

Datin Hayati holds a Bachelor of Science Degree in Accounting and a Master's in Business Administration, specialising in Finance, both from Northern Illinois University, USA. She qualified as a Certified Public Accountant in the USA and in Malaysia and is a member of the MIA and the MICPA.

Datin Hayati has no shareholding in the Bank.

(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 would attend a formal induction programme to familiarise themselves with the Bank's strategy and aspiration, 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/CEO/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 attending the Financial Institutions Directors' Education ("FIDE") Programme, accredited by International Centre for Leadership In Finance ("ICLIF"), and Capital Market Director Programme ("CMDP"), accredited by Securities Industry Development Corporation ("SIDC"), all Directors appointed to the Board, have also attended other relevant training programmes, talks, seminars, dialogue sessions and focus group sessions organised by the regulatory authorities, FIDE Forum (an alumni association for Financial Institutions Directors) and professional bodies to further enhance their business acumen and professionalism in discharging their duties to the Bank.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(b) DIRECTORS' TRAINING (CONT'D.)

The Directors also attend off-site Strategy Meetings to have an in-depth understanding and continuous engagement with Management pertaining to the AMMB Group's strategic direction. In addition, the Directors are constantly updated on information relating to the 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 best practices in corporate governance are applied consistently in the Bank and its subsidiaries. The Board complies with the best practices in corporate governance as set out in the Malaysian Code on Corporate Governance 2021.

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 eight (8) times in the financial 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 business developments, human resource (subject to matters reserved for shareholders' meetings by law), promotes 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 also gives due regard to any decision of the Shariah Committee on any Shariah issue relating to the carrying on of business, affairs or activities of the Bank and approves policies relating to Shariah matters upon consultation with the Shariah Committee.

The Board currently comprises six (6) Directors with wide skills and experience, five (5) 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 CEO of the Bank. The members of 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. Group Nomination and Remuneration Committee (at AMMB Group level); and
4. Group Information Technology Committee (at AMMB Group level).

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

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(d) COMMITTEES OF THE BOARD (CONT'D.)

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 ("FY") 2025

Directors	Board of Directors	Audit and Examination Committee	Risk Management Committee
Jeyaratnam a/l Tamotharam Pillai	8/8 (Chairman)	N/A	N/A
Lum Sing Fai	8/8	6/6 [a]	N/A
Ramesh Pillai	8/8	N/A	6/6 (Chairman)
Chee Li Har	8/8	7/7	6/6
Dato' Kong Sooi Lin	8/8	N/A	6/6
Datin Hayati Aman binti Hashim	8/8	7/7 [b] (Chairperson)	N/A
Seow Yoo Lin (Resigned on 4 July 2024)	2/2	1/1 [c]	N/A
Number of meetings held in FY2025	8	7	6

Notes:
1. All attendances reflect the number of meetings attended during the Directors' tenure of service.
2. N/A - represents non-committee member.
3. [a] Appointed as member of the Audit and Examination Committee ("AEC") on 4 July 2024.
4. [b] Appointed as Chairperson of the AEC on 4 July 2024.
5. [c] Ceased as Chairman of the AEC on 4 July 2024 following his resignation as Director.

AUDIT AND EXAMINATION COMMITTEE ("AEC")

The AEC comprises three (3) members, two (2) of whom are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

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 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 the 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 enter by the Bank with related party 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.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(d) COMMITTEES OF THE BOARD (CONT'D.)

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 and 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 also attends the AEC meetings by invitation and the AEC holds separate meetings with the Group Chief Internal Auditor and the external auditors, whenever necessary.

The scope of internal audit includes review of risk management processes, operational controls, financial controls, compliance with laws and regulations, lending practices and information technology, including the various application systems in production, data centres and network 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 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 direction and tolerance level and approves activities after considering the risk bearing capacity and readiness of the Bank.

The RMC exercises oversight on behalf of the Board to ensure adequate overall management of credit, market, liquidity, operational, legal, regulatory capital, strategic, Shariah and cyber security risks, environmental (including climate related), social and governance risk impacting the Bank. They are assisted by AMMB Group Risk Management.

The Committee is independent from Management and comprises three (3) members, all of whom, including the Chairman are Independent Non-Executive Directors. 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 FUNCTION

The 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 the AMMB Group. The AMMB Group Risk Management encompasses Wholesale Credit Risk, Retail Credit Risk, Investment Banking and Markets Risk, Operational Risk, Enterprise Fraud and Operational Risk Management ("ORM"), Technology Risk and Portfolio Risk Management (which is responsible for the development of credit models).

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(d) COMMITTEES OF THE BOARD (CONT'D.)

RISK MANAGEMENT FUNCTION (CONT'D.)

AMMB Group Risk Management takes its lead from the AMMB Group Board's approved Risk Appetite Framework that forms the foundation for 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 base on the prevailing economic condition or situation that may affect the operating environment which the Group operates in.

AMMB's Group Management Risk Committee meets at least six (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 two (2) years (or earlier, where required by regulations/legislation) to ensure they remain relevant.

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 Committee comprises five (5) members, all of whom are Non-Executive Directors and chaired by an Independent Non-Executive Director. The Bank is represented by Dato' Kong Sooi Lin 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 BNM, 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 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 AMMB 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.
- To oversee the succession planning for the Board Chairman, Directors, Shariah Committee members, Senior Management and expatriate-filled positions in AMMB Group.

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

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(d) COMMITTEES OF THE BOARD (CONT'D.)

GROUP INFORMATION TECHNOLOGY COMMITTEE ("GITC")

The Committee is established at AMMB Group level. The Committee comprises three (3) members, a majority of whom are Independent Directors and is chaired by an Independent Non-Executive Director.

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

- review and recommend the 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 the AMMB Group and ensuring that IT, cyber security, digitalisation and technology-related innovation strategic plans are aligned and integrated with the AMMB Group's business objectives and strategy;
- review IT, digital and cybersecurity 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 cybersecurity strategic plans and budgets and monitor the progress of the implementation;
- oversee the adequacy and utilisation of the AMMB Group's IT resources, including computer hardware, software, personnel who are involved in the development, modification and maintenance of computer programme and related standard procedures as well as the recovery controls to mitigate disruption of operations and services;
- 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 BNM's 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 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 Committee met six (6) times during the financial year ended 31 March 2025.

DIRECTORS' REPORT (CONT'D.)

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 Committees of the Board, 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 AGENCY

From a credit rating perspective, we believe in providing our stakeholders with an independent view of the Bank. As such, we continue to maintain credit ratings with RAM Rating Services Berhad.

Details of the Bank's ratings are as follows:

Rating Agency	Date accorded	Rating Classification	Ratings
RAM Rating Services Berhad	24 May 2024	Long-term financial institution rating	AA2
		Short-term financial institution rating	P1
		Outlook	Stable

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	265	180
Regulatory and assurance related	74	74
Other services	97	97
	436	351

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

JEYARATNAM A/L TAMOTHARAM PILLAI | **DATIN HAYATI AMAN BINTI HASHIM**

Kuala Lumpur, Malaysia
23 May 2025

Registration No. 197501002220 (23742-V)

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

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

We, **JEYARATNAM A/L TAMOTHARAM PILLAI** and **DATIN HAYATI AMAN BINTI HASHIM,** being two of the Directors of **AmINVESTMENT BANK BERHAD,** do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 23 to 155 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.

JEYARATNAM A/L TAMOTHARAM PILLAI

DATIN HAYATI AMAN BINTI HASHIM

Kuala Lumpur, Malaysia
23 May 2025

Registration No. 197501002220 (23742-V)

AmINVESTMENT BANK 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 **AmINVESTMENT BANK BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 23 to 155, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

LING FOU-TSONG @ JAMIE LING

Subscribed and solemnly declared by the abovenamed **LING FOU-TSONG @ JAMIE LING** at Kuala Lumpur in 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

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

EY
Shape the future
with confidence

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
SST ID: W10-2002-32000062
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

Registration No. 197501002220 (23742-V)

Independent auditors' report to the member of AmInvestment Bank Berhad (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmInvestment Bank 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 23 to 155.

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.

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.

Registration No. 197501002220 (23742-V)

**Independent auditors' report to the member of
AmInvestment Bank Berhad (cont'd.)
(Incorporated in Malaysia)**

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.

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.

Shape the future
with confidence

Registration No. 197501002220 (23742-V)

Independent auditors' report to the member of
AmInvestment Bank 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.):

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the 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.

- 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

Ng Sue Ean
No. 03276/07/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
23 May 2025

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
ASSETS					
Cash and short-term funds	6	534,141	725,841	430,714	626,037
Deposits and placements with a bank	7	-	500,000	-	500,000
Derivative financial assets	8	-	1,403	-	1,403
Financial investments at fair value through other comprehensive income ("FVOCI")	9	33,076	33,167	33,076	33,167
Financial investment at amortised cost	10	75,000	75,000	75,000	75,000
Loans and advances	11	605,128	877,537	605,128	877,537
Statutory deposit with Bank Negara Malaysia	12	10,189	14,689	10,189	14,689
Deferred tax assets	13	32,550	44,658	28,970	40,830
Investment in subsidiaries	14	-	-	51,054	51,054
Trade receivables and other assets	15	917,872	1,071,192	887,706	1,044,672
Property and equipment	16	15,654	14,560	15,175	14,205
Right-of-use assets	17	1,415	2,087	1,415	2,087
Intangible assets	18	42,107	40,481	4,198	3,068
TOTAL ASSETS		2,267,132	3,400,615	2,142,625	3,283,749
LIABILITIES AND EQUITY					
Deposits and placements of a bank	19	700,000	1,700,000	700,000	1,700,000
Financial liabilities at fair value through profit or loss ("FVTPL")	20	-	68,022	-	68,022
Derivative financial liabilities	8	1	-	1	-
Trade payables and other liabilities	21	873,532	1,008,637	841,401	978,907
TOTAL LIABILITIES		1,573,533	2,776,659	1,541,402	2,746,929
Share capital	22	330,000	330,000	330,000	330,000
Reserves	23	363,599	293,956	271,223	206,820
Equity attributable to equity holder of the Bank		693,599	623,956	601,223	536,820
TOTAL LIABILITIES AND EQUITY		2,267,132	3,400,615	2,142,625	3,283,749
COMMITMENTS AND CONTINGENCIES	39	213,126	289,043	213,126	289,043
NET ASSETS PER ORDINARY SHARE (RM)		2.21	1.99	1.91	1.71

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

AmINVESTMENT BANK 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	24	86,573	96,121	84,990	94,307
Interest expense	25	(45,739)	(64,978)	(45,646)	(64,831)
Net interest income		40,834	31,143	39,344	29,476
Other operating income	26	403,286	398,450	280,938	279,748
Direct costs	27	(73,507)	(73,617)	(46,288)	(42,969)
Net income		370,613	355,976	273,994	266,255
Other operating expenses	28	(246,427)	(221,307)	(171,111)	(148,415)
Operating profit before impairment losses		124,186	134,669	102,883	117,840
Writeback of/(Allowances for) impairment on:					
Loans and advances, net	30	2,548	(11,358)	2,548	(11,358)
Other financial assets	31	2,998	(10,678)	2,993	(10,684)
Other non-financial assets	31	349	(1,186)	349	(1,058)
Investment in subsidiary	14	-	-	-	(387)
Writeback of provision for commitments and contingencies	21(b)	26	27	26	27
Other recoveries		-	2	-	2
Profit before taxation		130,107	111,476	108,799	94,382
Taxation	32	(27,961)	29,526	(11,893)	48,683
Profit for the financial year attributable to equity holder of the Bank		102,146	141,002	96,906	143,065
Basic/diluted earnings per share (sen)	33	32.5	44.9		

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

AmINVESTMENT BANK 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		102,146	141,002	96,906	143,065
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Equity instruments at FVOCI					
Net unrealised loss on changes in fair value		(54)	(192)	(54)	(192)
Items that may be reclassified subsequently to profit or loss					
Debt instruments at FVOCI					
Net unrealised loss on changes in fair value		(136)	(203)	(136)	(203)
Tax effect	13	33	48	33	48
		(103)	(155)	(103)	(155)
Other comprehensive loss for the financial year, net of tax		(157)	(347)	(157)	(347)
Total comprehensive income for the financial year attributable to equity holder of the Bank		101,989	140,655	96,749	142,718

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

Registration No.197501002220 (23742-V)

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

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

	<---Attributable to equity holder of the Bank--->						
		Non-distributable				Distributable	
Group	**Share capital RM'000**	**Capital reserve RM'000**	**Regulatory reserve RM'000**	**Merger reserve RM'000**	**Fair value reserve RM'000**	**Retained earnings RM'000**	**Total Equity RM'000**
At 1 April 2023	330,000	2,815	10,478	82,115	2,259	130,688	558,355
Profit for the financial year	-	-	-	-	-	141,002	141,002
Other comprehensive loss	-	-	-	-	(347)	-	(347)
Total comprehensive (loss)/income	-	-	-	-	(347)	141,002	140,655
Transfer to regulatory reserve	-	-	3,204	-	-	(3,204)	-
Dividends paid (Note 34)	-	-	-	-	-	(75,054)	(75,054)
Transactions with owner and other equity movements	-	-	3,204	-	-	(78,258)	(75,054)
At 31 March 2024	330,000	2,815	13,682	82,115	1,912	193,432	623,956

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

Registration No.197501002220 (23742-V)

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENT 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	**Share capital RM'000**	**Capital reserve RM'000**	**Regulatory reserve RM'000**	**Merger reserve RM'000**	**Fair value reserve RM'000**	**Retained earnings RM'000**	**Total Equity RM'000**
At 1 April 2024	330,000	2,815	13,682	82,115	1,912	193,432	623,956
Profit for the financial year	-	-	-	-	-	102,146	102,146
Other comprehensive loss	-	-	-	-	(157)	-	(157)
Total comprehensive (loss)/income	-	-	-	-	(157)	102,146	101,989
Transfer to retained earnings	-	-	(2,923)	-	-	2,923	-
Dividends paid (Note 34)	-	-	-	-	-	(32,346)	(32,346)
Transactions with owner and other equity movements	-	-	(2,923)	-	-	(29,423)	(32,346)
At 31 March 2025	330,000	2,815	10,759	82,115	1,755	266,155	693,599

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

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENT 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	**Share capital RM'000**	**Regulatory reserve RM'000**	**Fair value reserve RM'000**	**Retained earnings RM'000**	**Total Equity RM'000**
At 1 April 2023	330,000	10,478	2,259	126,419	469,156
Profit for the financial year	-	-	-	143,065	143,065
Other comprehensive loss	-	-	(347)	-	(347)
Total comprehensive (loss)/income	-	-	(347)	143,065	142,718
Transfer to regulatory reserve	-	3,204	-	(3,204)	-
Dividends paid (Note 34)	-	-	-	(75,054)	(75,054)
Transactions with owner and other equity movements	-	3,204	-	(78,258)	(75,054)
At 31 March 2024	330,000	13,682	1,912	191,226	536,820

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

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENT 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	**Share capital RM'000**	**Regulatory reserve RM'000**	**Fair value reserve RM'000**	**Retained earnings RM'000**	**Total Equity RM'000**
At 1 April 2024	330,000	13,682	1,912	191,226	536,820
Profit for the financial year	-	-	-	96,906	96,906
Other comprehensive loss	-	-	(157)	-	(157)
Total comprehensive (loss)/income	-	-	(157)	96,906	96,749
Transfer to retained earnings	-	(2,923)	-	2,923	-
Dividends paid (Note 34)	-	-	-	(32,346)	(32,346)
Transactions with owner and other equity movements	-	(2,923)	-	(29,423)	(32,346)
At 31 March 2025	330,000	10,759	1,755	258,709	601,223

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

Registration No.197501002220 (23742-V)

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

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

		Group		Bank	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation:		130,107	111,476	108,799	94,382
Adjustments for:					
Amortisation of intangible assets	28	806	1,072	486	727
Net accretion of discount for securities		(28)	(97)	(28)	(97)
Depreciation of property and equipment	28	1,700	1,874	1,549	1,725
Depreciation of right-of-use assets	28	672	672	672	672
(Writeback of)/Allowances for impairment on computer software	31	(349)	1,186	(349)	1,058
Allowances for impairment on investment in subsidiary	14	-	-	-	387
Dividend income from financial investments at FVOCI	26	(98)	(98)	(98)	(98)
Dividend income from subsidiaries	26	-	-	(62,020)	(64,490)
Finance costs	28	63	84	63	84
Net gain on disposal of property and equipment	26	-	(1)	-	(1)
Computer software written-off	28	-	66	-	66
Net gain from sale of financial assets at FVTPL	26	(6)	-	(6)	-
Writeback of provision for commitments and contingencies	21(b)	(26)	(27)	(26)	(27)
(Writeback of)/Allowances for impairment on other financial assets	31	(2,998)	10,678	(2,993)	10,684
(Writeback of)/Allowances for impairment on loans and advances	30	(2,548)	11,717	(2,548)	11,717
Scheme shares granted under AMMB ESS, charge	28	4,210	3,795	2,981	2,794
Net foreign exchange loss/(gain)	26	51	(1,501)	(451)	(1,170)
Net loss on non-trading foreign exchange		-	2	-	-
Operating profit before working capital changes carried forward		131,556	140,898	46,031	58,413

Registration No.197501002220 (23742-V)

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

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 FLOWS FROM OPERATING ACTIVITIES (CONT'D.)					
Operating profit before working capital changes brought forward		131,556	140,898	46,031	58,413
Change in operating assets:					
Loans and advances		274,958	(73,348)	274,958	(73,348)
Statutory deposit with Bank Negara Malaysia		4,500	(479)	4,500	(479)
Trade receivables and other assets		150,549	(636,038)	155,021	(631,680)
Change in operating liabilities:					
Net (redemption)/receipt of securities financial liabilities at fair value		(66,620)	66,620	(66,620)	66,620
Deposits and placements of a bank		(1,000,000)	850,000	(1,000,000)	850,000
Trade payables and other liabilities		(135,750)	634,842	(136,823)	630,331
Cash (used in)/generated from operations		(640,807)	982,495	(722,933)	899,857
Taxation (paid)/refund, net		(12,975)	(21,382)	2,417	(1,962)
Net cash (used in)/generated from operating activities		(653,782)	961,113	(720,516)	897,895
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received from subsidiaries	26	-	-	62,020	64,490
Dividends received from financial investments at FVOCI	26	98	98	98	98
Proceeds from disposal of property and equipment		-	2	-	2
Purchase of financial investments at FVOCI		(72)	-	(72)	-
Purchase of intangible assets	18(b)	(2,083)	(1,599)	(1,267)	(1,457)
Purchase of property and equipment	16	(2,795)	(1,229)	(2,520)	(1,084)
Net cash (used in)/generated from investing activities		(4,852)	(2,728)	58,259	62,049

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

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 FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	34	(32,346)	(75,054)	(32,346)	(75,054)
Payment of lease liabilities	21(c)	(720)	(719)	(720)	(719)
Net cash used in financing activities		(33,066)	(75,773)	(33,066)	(75,773)
Net (decrease)/increase in cash and cash equivalents		(691,700)	882,612	(695,323)	884,171
Cash and cash equivalents at beginning of the financial year		1,225,841	343,229	1,126,037	241,866
Cash and cash equivalents at end of the financial year		534,141	1,225,841	430,714	1,126,037
Cash and cash equivalents comprise:					
Cash and short-term funds	6	534,141	725,841	430,714	626,037
Deposits and placements with a bank	7	-	500,000	-	500,000
		534,141	1,225,841	430,714	1,126,037

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

1. CORPORATE INFORMATION

The Bank is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Bank is located at Level 22, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal place of business is located at Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal activity of the Bank is to provide a wide range of investment banking and related financial services which also include Islamic investment banking, investment advisory, shares and futures broking, fund management and investment research and publication activities.

The principal activities of the Bank's subsidiaries are as disclosed in Note 14.

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

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

The consolidated financial statements of the Group and the separate financial statements of the Bank have been approved and authorised for issue by the Board of Directors on 28 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 on the ability of the Group and the Bank to continue as a going concern. Based on 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”) 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 41.

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 owner 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.

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 losses 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 are 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 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.

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 the profit or loss, respectively).

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5d 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 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.

Freehold land has an unlimited life and therefore, is 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:

Long term leasehold land	2% or remaining lease period (whichever is shorter)
Leasehold Buildings	2% or over the term of short-term lease (whichever is shorter)
Leasehold improvements	10% to 20%
Motor vehicles	20%
Computer equipment	20% to 33.3%
Office equipment, furniture and fittings	10% to 50%

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

2.5e 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5e Leases (Cont'd.)

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.

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 lease term

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. ACCOUNTING POLICIES (CONT'D.)

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

2.5f 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 the profit or loss in the financial year in which the expenditure is incurred.

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

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

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

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

2.5g 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.)

2.5g 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.

2.5h Financial assets – classification and subsequent measurement

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

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

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

(i) Debt instruments

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

Business model

The business model reflects how the Group and the Bank manage the financial assets in order to generate cash flows. Specifically, it considers whether the Group's and 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.)

2.5h 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 2.5(l). 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 statement of profit or loss in "impairment losses on financial investments" for bonds, "impairment losses on loans and advances" for loans and advances or "doubtful receivables" for losses other than bonds, 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.)

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

The classification requirements for debt and equity instruments are described below (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.

2.5i Financial liabilities – classification and subsequent measurement

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

- financial liabilities at FVTPL; and
- loan commitments (see Note 2.5(q)).

(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.

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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5i Financial liabilities – classification and subsequent measurement (Cont'd.)

(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.

2.5j 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.

(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;

.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

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

The Group and the Bank do this by considering, among others, the following factors (cont'd.):

- 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. 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. ACCOUNTING POLICIES (CONT'D.)

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

2.5k 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.

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 44:

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

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5l 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. 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.

For loan commitments, 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 exceed the gross carrying amount of the loan, the ECL are recognised as a provision.

The methodology applied in measuring ECL are explained in Note 43.2.4.

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 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

(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 43.2.2 for further analysis of collateral).

(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 2.5(k). 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.

2.5m 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.

2.5n 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.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary material accounting policies (Cont'd.)

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

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.

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.

2.5o 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. ACCOUNTING POLICIES (CONT'D.)

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

2.5p 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 is also disclosed as a contingent liability unless the probability of outflow or economic resources is remote.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group 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.

2.5q Loan commitments

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

2.5r Recognition of income and expenses

Operating revenue of the Group comprises of all types of revenue, mainly gross interest income, fee and commission earned, net of related direct costs and other income derived from investment banking, nominee services and fund management.

Operating revenue of the Bank comprises of gross interest income, fee and commission earned, net of related direct costs, and other income derived from investment 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 increase 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

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

(i) Interest income and similar income and expense (Cont'd.)

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.

(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.

(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 it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

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

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.

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

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:

(i) 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, asset management, 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.

(ii) 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.

2.5s 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 of 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5s Employee benefits (Cont'd.)

(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 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 ESS wherein shares are granted to eligible directors or employees of 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.

2.5t 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 year.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary material accounting policies (Cont'd.)

2.5u 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.

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.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary material accounting policies (Cont'd.)

2.5u Taxes (Cont'd.)

(ii) Deferred tax (Cont'd.)

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.

2.5v Earnings Per Share ("EPS")

The Group presents basic and diluted EPS data for its ordinary shares in Note 33. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period net of treasury shares. Diluted EPS is determined by adjusting the profit or loss attributable to the ordinary shareholder and the weighted average number of ordinary shares outstanding, including the effects of all dilutive potential ordinary shares.

2.5w 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 two operating segments: investment banking and others, as disclosed in Note 45.

2.5x Fiduciary assets

The Group and the Bank provide trust and other fiduciary services that result in the holding or investing of assets on behalf of their clients. Assets held in a fiduciary capacity are not recognised as assets of the Group and the Bank. This includes monies in trust as disclosed in Note 40.

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.

3.1c 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. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

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 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 standards 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.

3.2b Amendments to published standards 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.

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 standards effective for financial year ending 31 March 2027 (Cont'd.)

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.

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. 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

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18 is a new accounting standard for presentation and disclosure of information in the financial statements which supersedes MFRS 101 *Presentation of Financial Statements*.

MFRS 18 introduced a defined structure for the statement of profit or loss comprising three main categories which include operating, investing and financing categories. Classification of income and expenses will be driven by the main business activities. Specified totals and subtotals are to be presented in the statement of profit or loss.

Information related to the management-defined performance measures ("MPM") should be disclosed in a note to the financial statements, including a reconciliation between the MPM and the most similar specified subtotal. Entity is also required to present expenses in the operating category by nature, function or a mix of both.

Enhanced guidance on the principles of aggregation and disaggregation, which focus on grouping of items based on their shared characteristics should be applied across the financial statements.

Consequential amendments to other accounting standards include, among others:

(i) MFRS 107 *Statement of Cash Flows*

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

(ii) MFRS 133 *Earnings per Share*

The amendments permit entities to disclose additional amounts per share using only the following numerators:
- required income and expenses totals and subtotals;
- common income and expenses subtotals listed in MFRS 18; or
- MPM disclosed by the entity

(iii) MFRS 134 *Interim Financial Reporting*

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

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

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

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. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

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

3.2d Amendments to published standards 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 REQUIREMENTS

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Judgements, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's and the Bank's accounting policies, management has made the following judgements, estimates and assumptions which have significant effect on the amounts recognised in the financial statements.

5.1 Measurement of ECL allowances (Notes 11, 15, 30 and 31)

The measurement of the ECL allowances for financial assets measured at amortised cost and FVOCI and loan commitments 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 43.2.4.

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

5.2 Lease term of agreements with renewal options (Note 17)

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 term of three to twelve years. The extension options held are exercisable only by the Group and 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 Impairment of goodwill (Note 18 (a))

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

5.4 Deferred tax assets (Note 13) and income taxes (Note 32)

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 material judgement and estimation uncertainty involved in determining provision for income taxes, the actual tax liability payable to the relevant tax authorities for the relevant year of assessment may be materially different from the amounts that were initially recorded; and such differences, if any, will be reflected as adjustments of over or under provisions of income tax and deferred tax provision in the period in which the estimate is revised or when the final tax liability is established.

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

5.5 Fair value measurements of financial instruments (Notes 8, 9, 20 and 44)

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 and basis as disclosed in Note 44 include considerations of liquidity and model inputs such as volatility for longer-dated derivatives and discount rates.

5.6 Development costs (Note 18)

Costs incurred in the development and implementation of software systems for the Group and the Bank 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.

6. CASH AND SHORT-TERM FUNDS

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	192,607	130,854	168,985	107,976
Deposit placements maturing within one month:				
Licensed banks, related companies	157,605	430,047	77,800	352,850
Bank Negara Malaysia	166,000	150,000	166,000	150,000
Other financial institutions	17,929	14,940	17,929	15,211
	534,141	725,841	430,714	626,037

The cash and bank balances of the Group is net of bank overdraft of RM3,819,179 (2024: RM4,341,066). The interest rate of the bank overdraft at reporting date was 4.20% (2024: 4.20%) per annum, repayable on demand.

7. DEPOSITS AND PLACEMENTS WITH A BANK

	Group and Bank	
	2025	2024
	RM'000	RM'000
Licensed bank, a related company (Note 35)	-	500,000
Of which deposit and placements with original maturity of:		
Three months or less	-	500,000

8. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

	2025			2024		
Group and Bank	Contract/ Notional Amount RM'000	Fair Value Assets RM'000	Fair Value Liabilities RM'000	Contract/ Notional Amount RM'000	Fair Value Assets RM'000	Fair Value Liabilities RM'000
Trading derivative						
Foreign exchange related contracts:						
One year or less	501	-	1	340	1	-
Equity and commodity related contracts:						
Equity option:						
One year or less	-	-	-	66,620	1,402	-
	501	-	1	66,960	1,403	-

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

	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Government Securities	30,336	30,373
Unquoted securities:		
In Malaysia:		
Shares	2,707	2,766
Outside Malaysia:		
Shares	33	28
	33,076	33,167

Equity investments at FVOCI comprise the following individual investments:

Group and Bank	Fair value 2025 RM'000	Fair value 2024 RM'000	Dividend income (Note 26) 2025 RM'000	Dividend income (Note 26) 2024 RM'000
Unquoted securities in Malaysia:				
Malaysian South-South Corporation Berhad	2,707	2,766	98	98
Unquoted securities outside Malaysia:				
S.W.I.F.T SCRL	33	28	-	-
	2,740	2,794	98	98

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.

There have been no new acquisition or disposal of equity investments at FVOCI during the financial year.

10. FINANCIAL INVESTMENT AT AMORTISED COST

	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
At Amortised Cost		
Unquoted securities:		
In Malaysia:		
Corporate bond	75,000	75,000

11. LOANS AND ADVANCES

	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
At Amortised Cost		
Share margin financing	612,337	883,186
Revolving credits	1,751	5,703
Staff loans	210	366
Gross loans and advances	614,298	889,255
Less: Allowances for ECL (Note 11(g)):		
- Stage 1 - 12-month ECL	(1)	(1)
- Stage 3 - Lifetime ECL credit-impaired	(9,169)	(11,717)
	(9,170)	(11,718)
Net loans and advances	605,128	877,537

(a) Gross loans and advances analysed by types of borrowers are as follows:

	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
Domestic business enterprises:		
- Small and medium enterprises	34,070	27,874
- Others	4,868	14,759
Individuals	570,088	840,431
Foreign individuals and entities	5,272	6,191
	614,298	889,255

(b) All gross loans and advances reside in Malaysia.

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

	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
Variable rate:		
- Base lending rate-plus	612,547	883,552
- Cost-plus	1,751	5,703
	614,298	889,255

11. LOANS AND ADVANCES (CONT'D.)

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

	Group and Bank	
	2025	2024
	RM'000	RM'000
Agriculture	343	356
Manufacturing	4,868	4,999
Wholesale and retail trade and hotels and restaurants	6,816	5,388
Transport, storage and communication	12,665	14,966
Real estate	1,260	399
Business activities	3,179	6,988
Education and health	9,806	9,537
Household, of which:	575,361	846,622
- Purchase of residential properties	210	366
- Others	575,151	846,256
	614,298	889,255

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

	Group and Bank	
	2025	2024
	RM'000	RM'000
Maturing within one year	614,155	888,934
Over one year to three years	23	79
Over three years to five years	120	173
Over five years	-	69
	614,298	889,255

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

	Group and Bank	
	2025	2024
	RM'000	RM'000
Balance at beginning of the financial year	25,348	-
Impaired during the financial year	2,557	51,717
Recoveries	(8,016)	(26,369)
Balance at end of the financial year	19,889	25,348
Gross impaired loans and advances as % of gross loans and advances	3.2%	2.9%
Loan loss coverage (including regulatory reserve)	100.2%	100.2%

11. LOANS AND ADVANCES (CONT'D.)

(g) Movement in allowances for ECL is as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total RM'000
2025			
Balance at beginning of the financial year	1	11,717	11,718
Net writeback of ECL (Note 30)	-	(2,548)	(2,548)
Balance at end of the financial year	1	9,169	9,170
2024			
Balance at beginning of the financial year	1	-	1
Net allowances for ECL (Note 30)	-	11,717	11,717
Balance at end of the financial year	1	11,717	11,718

The total allowances for impairment on loans and advances for the Group and Bank decreased by RM2,548,000 mainly due to the writeback of ECL under Lifetime ECL credit-impaired for Stage 3.

12. 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 percentages of total eligible liabilities. The Statutory Reserve Requirement rate for banking industries is 2.0% of eligible liabilities.

13. DEFERRED TAX ASSETS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balance at the beginning of the financial year	44,658	8,127	40,830	5,534
Recognised in profit or loss (Note 32)	(12,141)	36,483	(11,893)	35,248
Recognised in other comprehensive income	33	48	33	48
Balance at the end of the financial year	32,550	44,658	28,970	40,830

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		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets	33,166	45,139	29,432	41,189
Deferred tax liabilities	(616)	(481)	(462)	(359)
Deferred tax assets, net	32,550	44,658	28,970	40,830

13. DEFERRED TAX ASSETS (CONT'D.)

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

Group Deferred tax assets	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
31 March 2025				
Provision for commitments and contingencies	35	(6)	-	29
Provision for expenses	7,869	1,964	-	9,833
Unutilised tax losses	31,781	(13,822)	-	17,959
Other temporary differences	5,454	(109)	-	5,345
	45,139	(11,973)	-	33,166
31 March 2024				
Provision for commitments and contingencies	42	(7)	-	35
Provision for expenses	7,112	757	-	7,869
Unutilised tax losses	-	31,781	-	31,781
Other temporary differences	1,683	3,771	-	5,454
	8,837	36,302	-	45,139
Deferred tax liabilities				
31 March 2025				
Fair value reserve	(182)	-	33	(149)
Excess of capital allowances over depreciation and amortisation	(299)	(168)	-	(467)
	(481)	(168)	33	(616)
31 March 2024				
Deferred charges	(68)	68	-	-
Fair value reserve	(230)	-	48	(182)
Excess of capital allowances over depreciation and amortisation	(412)	113	-	(299)
	(710)	181	48	(481)

13. DEFERRED TAX ASSETS (CONT'D.)

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

Bank **Deferred tax assets**	**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**
31 March 2025				
Provision for commitments and contingencies	35	(6)	-	29
Provision for expenses	4,216	2,397	-	6,613
Unutilised tax losses	31,781	(13,822)	-	17,959
Other temporary differences	5,157	(326)	-	4,831
	41,189	(11,757)	-	29,432
31 March 2024				
Provision for commitments and contingencies	42	(7)	-	35
Provision for expenses	4,685	(469)	-	4,216
Unutilised tax losses	-	31,781	-	31,781
Other temporary differences	1,380	3,777	-	5,157
	6,107	35,082	-	41,189
Deferred tax liabilities				
31 March 2025				
Fair value reserve	(182)	-	33	(149)
Excess of capital allowances over depreciation and amortisation	(177)	(136)	-	(313)
	(359)	(136)	33	(462)
31 March 2024				
Fair value reserve	(230)	-	48	(182)
Excess of capital allowances over depreciation and amortisation	(343)	166	-	(177)
	(573)	166	48	(359)

14. INVESTMENT IN SUBSIDIARIES

	Bank 2025 RM'000	Bank 2024 RM'000
Unquoted shares, at cost	64,187	64,187
Less: Impairment loss	(13,133)	(13,133)
	51,054	51,054

The movement in allowances for impairment is as follows:

	Bank 2025 RM'000	Bank 2024 RM'000
Balance at beginning of the financial year	13,133	12,746
Allowances for impairment during the year	-	387
Balance at end of the financial year	13,133	13,133

Subsidiaries	**Principal Activities**	**Effective Equity Interest 2025 %**	**Effective Equity Interest 2024 %**
Incorporated in Malaysia			
AMMB Nominees (Tempatan) Sdn Bhd *	Dormant	100	100
AM Nominees (Tempatan) Sdn Bhd	Nominee services	100	100
AM Nominees (Asing) Sdn Bhd	Nominee services	100	100
AMSEC Nominees (Tempatan) Sdn Bhd	Nominee services	100	100
AMSEC Nominees (Asing) Sdn Bhd	Nominee services	100	100
AmResearch Sdn Bhd *	Dormant	100	100
AmFutures Sdn Bhd *	Dormant	100	100
AmFunds Management Berhad	Fund management	100	100
AmIslamic Funds Management Sdn Bhd	Fund management	100	100

* Subsidiaries under member's voluntary winding-up.

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, profit availability and solvency tests in accordance with the Companies Act 2016.

15. TRADE RECEIVABLES AND OTHER ASSETS

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Trade receivables	(a)	509,330	662,567	497,729	651,955
Other receivables, deposits and prepayments		46,079	44,553	23,877	24,627
Interest receivable		1,028	13,568	1,028	13,568
Tax recoverable		52,987	54,504	52,015	54,432
Margin deposits		319,284	309,908	319,284	309,908
Amount due from holding company	(b), 35	97	75	91	55
Amount due from subsidiaries and related companies	(b), 35	329	277	4,648	4,086
		929,134	1,085,452	898,672	1,058,631
Less: Allowances for ECL	(c)	(11,262)	(14,260)	(10,966)	(13,959)
		917,872	1,071,192	887,706	1,044,672

(a) Trade receivables comprise the Group's stockbroking, futures broking and fund management operations, which include amount outstanding from purchase contracts and management fees receivables in respect of funds under the management of its subsidiaries.

(b) Amounts due from holding company, subsidiaries and related companies are unsecured, non-interest bearing, repayable on demand and include expenses paid on behalf of the subsidiaries.

(c) Movements in allowances for ECL:

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Balance at beginning of the financial year	14,260	4,023	13,959	3,283
Net (writeback of)/allowances for ECL during the financial year (Note 31)	(2,998)	10,678	(2,993)	10,684
Amount written-off	-	(441)	-	(8)
Balance at end of the financial year	11,262	14,260	10,966	13,959

The decrease in allowances for ECL for the current financial year is mainly due to the writeback of ECL of trade receivables and other receivables.

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

As at reporting date, trade receivables of the Group and of the Bank that are classified as impaired amounted to RM8,196,235 (2024: RM10,674,693).

16. PROPERTY AND EQUIPMENT

Group 2025	Long term leasehold land RM'000	Leasehold buildings RM'000	Leasehold improvements RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost							
At beginning of the financial year	3,000	17,133	20,439	23,016	28,101	519	92,208
Additions	-	-	159	122	2,514	-	2,795
Written-off	-	-	-	-	-	(12)	(12)
Transfer to a related company	-	-	-	-	(3)	-	(3)
At end of the financial year	3,000	17,133	20,598	23,138	30,612	507	94,988
Accumulated depreciation							
At beginning of the financial year	1,305	7,520	19,452	22,508	26,395	468	77,648
Depreciation charge for the financial year (Note 28)	60	343	487	128	631	51	1,700
Written-off	-	-	-	-	-	(12)	(12)
Transfer to a related company	-	-	-	-	(2)	-	(2)
At end of the financial year	1,365	7,863	19,939	22,636	27,024	507	79,334
Carrying amount							
At end of the financial year	1,635	9,270	659	502	3,588	-	15,654

16. PROPERTY AND EQUIPMENT (CONT'D.)

Group 2024	Long term leasehold land RM'000	Leasehold buildings RM'000	Leasehold improvements RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost							
At beginning of the financial year	3,000	17,133	19,922	22,954	27,456	524	90,989
Additions	-	-	517	67	645	-	1,229
Disposals	-	-	-	-	-	(5)	(5)
Written-off	-	-	-	(5)	-	-	(5)
At end of the financial year	3,000	17,133	20,439	23,016	28,101	519	92,208
Accumulated depreciation							
At beginning of the financial year	1,245	7,177	18,881	22,297	25,816	367	75,783
Depreciation charge for the financial year (Note 28)	60	343	571	216	579	105	1,874
Disposals	-	-	-	-	-	(4)	(4)
Written-off	-	-	-	(5)	-	-	(5)
At end of the financial year	1,305	7,520	19,452	22,508	26,395	468	77,648
Carrying amount							
At end of the financial year	1,695	9,613	987	508	1,706	51	14,560

16. PROPERTY AND EQUIPMENT (CONT'D.)

Bank 2025	Long term leasehold land RM'000	Leasehold buildings RM'000	Leasehold improvements RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost							
At beginning of the financial year	3,000	17,133	19,722	21,791	26,226	519	88,391
Additions	-	-	159	118	2,243	-	2,520
Written-off	-	-	-	-	-	(12)	(12)
Transfer to a related company	-	-	-	-	(3)	-	(3)
At end of the financial year	3,000	17,133	19,881	21,909	28,466	507	90,896
Accumulated depreciation							
At beginning of the financial year	1,305	7,520	18,738	21,312	24,843	468	74,186
Depreciation charge for the financial year (Note 28)	60	343	485	119	491	51	1,549
Written-off	-	-	-	-	-	(12)	(12)
Transfer to a related company	-	-	-	-	(2)	-	(2)
At end of the financial year	1,365	7,863	19,223	21,431	25,332	507	75,721
Carrying amount							
At end of the financial year	1,635	9,270	658	478	3,134	-	15,175

16. PROPERTY AND EQUIPMENT (CONT'D.)

Bank 2024	Long term leasehold land RM'000	Leasehold buildings RM'000	Leasehold improvements RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost							
At beginning of the financial year	3,000	17,133	19,208	21,758	25,694	524	87,317
Additions	-	-	514	38	532	-	1,084
Disposals	-	-	-	-	-	(5)	(5)
Written-off	-	-	-	(5)	-	-	(5)
At end of the financial year	3,000	17,133	19,722	21,791	26,226	519	88,391
Accumulated depreciation							
At beginning of the financial year	1,245	7,177	18,168	21,124	24,389	367	72,470
Depreciation charge for the financial year (Note 28)	60	343	570	193	454	105	1,725
Disposals	-	-	-	-	-	(4)	(4)
Written-off	-	-	-	(5)	-	-	(5)
At end of the financial year	1,305	7,520	18,738	21,312	24,843	468	74,186
Carrying amount							
At end of the financial year	1,695	9,613	984	479	1,383	51	14,205

17. RIGHT-OF-USE ASSETS

Group and Bank	Note	Premises 2025 RM'000	Premises 2024 RM'000
Cost			
At beginning/end of the financial year		6,374	6,374
Accumulated depreciation			
At beginning of the financial year		4,287	3,615
Depreciation charge for the financial year	28	672	672
At end of the financial year		4,959	4,287
Carrying amount			
At end of the financial year		1,415	2,087

The carrying amount of the right-of-use assets includes carrying amount of estimated cost for reinstatement which amounted to RM Nil (2024: RM16,090).

The right-of-use assets on long-term leasehold land and leasehold buildings are disclosed in Note 16.

The corresponding lease liabilities relating to the right-of-use assets are disclosed in Note 21(c).

The Group and the Bank have entered into commercial leases for premises, 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 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 to in connection with the leases have been reflected in the measurement of lease liabilities.

18. INTANGIBLE ASSETS

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Goodwill	(a)	36,442	36,442	-	-
Other intangibles:					
Computer software	(b)	3,392	3,389	2,654	2,418
Work-in-progress ("WIP") for computer software	(b)	2,273	650	1,544	650
		5,665	4,039	4,198	3,068
		42,107	40,481	4,198	3,068

(a) Goodwill

	Group 2025 RM'000	Group 2024 RM'000
At beginning/end of the financial year	36,442	36,442

Impairment assessment on goodwill

Goodwill is reviewed for impairment annually or when there are indications of impairment. At the date of acquisition, goodwill is allocated to the Group's CGU for impairment testing purposes, which are identified based on business segment expected to benefit from the synergies and were as follows:

	Group 2025 RM'000	Group 2024 RM'000
Fund management	36,442	36,442

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

The cash flow projections for the CGU are based on the financial budgets approved by management covering a one-year period (2024: one-year period), taking into account the projected regulatory capital requirements, as well as the terminal growth rate of 3.0% (2024: 3.0%) based on long-term GDP forecast and expectations of market opportunities. The discount rate applied is 7.7% (2024: 9.2%).

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

18. INTANGIBLE ASSETS (CONT'D.)

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

Group 2025	Computer software RM'000	WIP for computer software RM'000	Total RM'000
Cost			
At beginning of the financial year	32,523	1,173	33,696
Additions	432	1,651	2,083
Reclassification	440	(440)	-
At end of the financial year	33,395	2,384	35,779
Accumulated amortisation			
At beginning of the financial year	28,471	-	28,471
Amortisation for the financial year (Note 28)	806	-	806
At end of the financial year	29,277	-	29,277
Accumulated impairment loss			
At beginning of the financial year	663	523	1,186
Writeback of impairment for the financial year (Note 31)	(349)	-	(349)
Reclassification	412	(412)	-
At end of the financial year	726	111	837
Carrying amount			
At end of the financial year	3,392	2,273	5,665

Group 2024	Computer software RM'000	WIP for computer software RM'000	Total RM'000
Cost			
At beginning of the financial year	30,893	1,278	32,171
Additions	181	1,418	1,599
Written-off (Note 28)	(74)	-	(74)
Reclassification	1,523	(1,523)	-
At end of the financial year	32,523	1,173	33,696
Accumulated amortisation			
At beginning of the financial year	27,407	-	27,407
Amortisation for the financial year (Note 28)	1,072	-	1,072
Written-off (Note 28)	(8)	-	(8)
At end of the financial year	28,471	-	28,471
Accumulated impairment loss			
At beginning of the financial year	-	-	-
Impairment for the financial year (Note 31)	663	523	1,186
At end of the financial year	663	523	1,186
Carrying amount			
At end of the financial year	3,389	650	4,039

18. INTANGIBLE ASSETS (CONT'D.)

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

Bank 2025	**Computer software RM'000**	**WIP for computer software RM'000**	**Total RM'000**
Cost			
At beginning of the financial year	22,623	1,173	23,796
Additions	345	922	1,267
Reclassification	440	(440)	-
At end of the financial year	23,408	1,655	25,063
Accumulated amortisation			
At beginning of the financial year	19,670	-	19,670
Amortisation for the financial year (Note 28)	486	-	486
At end of the financial year	20,156	-	20,156
Accumulated impairment loss			
At beginning of the financial year	535	523	1,058
Writeback of impairment for the financial year (Note 31)	(349)	-	(349)
Reclassification	412	(412)	-
At end of the financial year	598	111	709
Carrying amount			
At end of the financial year	2,654	1,544	4,198

Bank 2024	**Computer software RM'000**	**WIP for computer software RM'000**	**Total RM'000**
Cost			
At beginning of the financial year	21,135	1,278	22,413
Additions	39	1,418	1,457
Written-off (Note 28)	(74)	-	(74)
Reclassification	1,523	(1,523)	-
At end of the financial year	22,623	1,173	23,796
Accumulated amortisation			
At beginning of the financial year	18,951	-	18,951
Amortisation for the financial year (Note 28)	727	-	727
Written-off (Note 28)	(8)	-	(8)
At end of the financial year	19,670	-	19,670
Accumulated impairment loss			
At beginning of the financial year	-	-	-
Impairment for the financial year (Note 31)	535	523	1,058
At end of the financial year	535	523	1,058
Carrying amount			
At end of the financial year	2,418	650	3,068

19. DEPOSITS AND PLACEMENTS OF A BANK

	Group and Bank	
	2025	2024
	RM'000	RM'000
Licensed bank, a related company (Note 35)	700,000	1,700,000

20. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group and Bank	
	2025	2024
	RM'000	RM'000
Quoted securities	-	68,022

The Bank has entered into a unit lending agreement with Projek Lintasan Kota Holdings Sdn Bhd to act as the stabilising manager from 25 March 2024 (listing date). This arrangement was expiring on the earlier of (i) the date falling thirty (30) days from and including the Listing Date; or (ii) the date when the Stabilising Manager has bought on the Main Market of Bursa Securities or otherwise, an aggregate of 70,300,000 units to undertake stabilising activities. The Over-allotment Option was exercisable solely for the purpose of covering over-allotments of IPO units, if any.

The amount was derecognised upon the completion of stabilisation period on 23 April 2024.

21. TRADE PAYABLES AND OTHER LIABILITIES

	Note	Group		Bank	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Trade payables	(a)	778,475	899,480	778,475	899,480
Other payables and accruals		64,524	54,706	46,386	35,165
Interest payable	35	5,616	37,531	5,616	37,531
Provision for commitments and contingencies	(b)	120	146	120	146
Lease liabilities	(c)	1,567	2,226	1,567	2,226
Provision for reinstatement of leased premises	(c)	309	307	309	307
Amount due to holding company	(d), 35	6	-	-	-
Amount due to related companies	(d), 35	16,788	9,442	8,928	4,052
Provision for taxation		6,127	4,799	-	-
		873,532	1,008,637	841,401	978,907

(a) Trade payables mainly relate to the Bank's stockbroking and futures broking operations and represent amount payable in respect of outstanding sales contracts.

21. TRADE PAYABLES AND OTHER LIABILITIES (CONT'D.)

(b) The movement in provision for commitments and contingencies is as follows:

	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
Balance at beginning of the financial year	146	173
Writeback during the financial year	(26)	(27)
Balance at end of the financial year	120	146

(c) The movements for lease liabilities and provision for reinstatement of leased premises are as follows:

Group and Bank 2025	Note	Lease liabilities RM'000	Provision for reinstatement of leased premises RM'000	Total RM'000
Balance at beginning of the financial year		2,226	307	2,533
Finance cost charged during the financial year	28	61	2	63
Payments*		(720)	-	(720)
Balance at end of the financial year		1,567	309	1,876
2024				
Balance at beginning of the financial year		2,864	304	3,168
Finance cost charged during the financial year	28	81	3	84
Payments*		(719)	-	(719)
Balance at end of the financial year		2,226	307	2,533

The weighted-average incremental discounted borrowing rate for lease liabilities initially recognised as of 1 April 2019 was 3.3% per annum.

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.

The costs relating to leases for which the Group and the Bank applied the practical expedient described in paragraph 5(a) of the MFRS 16 for the current financial year end amounted to RM11,374 and RM5,916 (2024: RM12,948 and RM8,174) respectively for low value assets.

There were no leases with contract term of less than 12 months.

* Inclusive of RM235,800 (2024: RM235,800) of payment of lease liabilities to related parties during the financial year.

21. TRADE PAYABLES AND OTHER LIABILITIES (CONT'D.)

(c) The movements for lease liabilities and provision for reinstatement of leased premises are as follows (Cont'd.):

Lease liabilities analysed by undiscounted contractual payments are as follows:

Group and Bank	2025 RM'000	2024 RM'000
Up to 1 month	60	60
>1 month to 3 months	120	120
>3 months to 6 months	180	180
>6 months to 12 months	164	360
>1 year to 5 years	943	1,231
Over 5 years	236	472
	1,703	2,423

(d) Amounts due to holding company and related companies are unsecured, non-interest bearing, repayable on demand and include expenses paid on behalf of the Group and the Bank.

22. SHARE CAPITAL

	Number of ordinary shares Group and Bank		Group and Bank	
	2025 Units'000	2024 Units'000	2025 RM'000	2024 RM'000
Issued and fully paid:				
Ordinary shares				
Balance at the beginning and end of the financial year	314,035	314,035	330,000	330,000

The holder of fully paid ordinary shares, is entitled to receive dividends as and when declared by the Bank. All fully paid ordinary shares carry one vote per share without restrictions and rank equally with regards to the Bank's residual assets.

23. RESERVES

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Capital reserve	(i)	2,815	2,815	-	-
Regulatory reserve	(ii)	10,759	13,682	10,759	13,682
Merger reserve	(iii)	82,115	82,115	-	-
Fair value reserve	(iv)	1,755	1,912	1,755	1,912
Retained earnings	(v)	266,155	193,432	258,709	191,226
Total reserves		363,599	293,956	271,223	206,820

23. RESERVES (CONT'D.)

Note:

(i) Capital reserve is in respect of dilution and accretion in net attributable assets of the Group arising from capitalisation of subsidiaries' bonus issues in prior years.

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

(iii) Merger reserve represents reserve arising from the acquisition of certain subsidiaries which was accounted for using the merger accounting method in prior years.

(iv) The fair value reserve comprises fair value gains (net of fair value losses) on financial investments measured at FVOCI.

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

24. INTEREST INCOME

	Group		Bank	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash, short-term funds and deposits and placements	29,297	38,451	27,714	36,637
Financial investments at FVOCI	2,575	1,267	2,575	1,267
Financial investment at amortised cost	3,128	3,136	3,128	3,136
Loans and advances	48,444	51,203	48,444	51,203
Others	3,129	2,064	3,129	2,064
	86,573	96,121	84,990	94,307

25. INTEREST EXPENSE

		Group		Bank	
	Note	**2025**	**2024**	**2025**	**2024**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Deposits and placements of a bank	35	43,647	64,084	43,647	64,084
Others		2,092	894	1,999	747
		45,739	64,978	45,646	64,831

26. OTHER OPERATING INCOME

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Fee and commission income:					
Fee and commission income that are provided over time:					
Corporate advisory		19,221	25,054	19,221	25,054
Fees on loans and securities:					
Agency fees		3,180	3,149	3,180	3,149
Other loans and securities related fees		4,775	4,863	4,775	4,863
Portfolio management fees		48,264	41,589	856	870
Unit trust management fees		144,616	138,658	-	-
Wealth management fees		1,191	632	19,550	16,830
Fee and commission income from providing transaction services:					
Brokerage fees and commission		88,010	78,997	88,010	78,997
Corporate advisory		4,453	9,302	4,453	9,302
Fees on loans and securities:					
Arrangement and upfront fees		23,651	28,175	23,651	28,175
Other loans and securities related fees		6,397	1,942	6,397	1,942
Portfolio management fees		1,479	7,991	-	-
Underwriting commission		1,893	1,263	1,893	1,263
Wealth management fees		22,582	17,157	22,807	17,188
Unit trust service charges		11,152	12,483	-	-
Placement fees		17,028	16,159	17,028	16,159
Other fee and commission income		2,445	6,681	3,671	7,466
		400,337	394,095	215,492	211,258
Investment and trading income:					
Dividend income from:					
Subsidiaries		-	-	62,020	64,490
Financial investments at FVOCI	9	98	98	98	98
Net foreign exchange (loss)/gain		(51)	1,501	451	1,170
Net gain from sale of financial assets at FVTPL		6	-	6	-
		53	1,599	62,575	65,758
Other income:					
Net gain on disposal of property and equipment		-	1	-	1
Rental income		2,293	2,346	2,298	2,351
Others		603	409	573	380
		2,896	2,756	2,871	2,732
		403,286	398,450	280,938	279,748

27. DIRECT COSTS

	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Brokerage commission	24,152	27,446	24,152	27,446
Unit trust commission	27,219	30,648	-	-
Others	22,136	15,523	22,136	15,523
	73,507	73,617	46,288	42,969

28. OTHER OPERATING EXPENSES

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Personnel costs:					
Salaries, allowances and bonuses		112,155	98,780	77,331	64,880
Contributions to EPF/private retirement scheme		18,119	15,897	12,445	10,437
Scheme shares granted under AMMB ESS, charge		4,210	3,795	2,981	2,794
Social security costs		641	612	405	397
Others		11,479	9,323	7,543	6,110
		146,604	128,407	100,705	84,618
Establishment costs:					
Amortisation of intangible assets	18	806	1,072	486	727
Cleaning, maintenance and security		2,523	2,128	2,414	2,036
Computerisation costs		16,490	12,478	15,327	11,523
Depreciation of property and equipment	16	1,700	1,874	1,549	1,725
Depreciation of right-of-use assets	17	672	672	672	672
Finance costs:					
Interest on lease liabilities	21(c)	61	81	61	81
Provision for reinstatement of leased premises	21(c)	2	3	2	3
Rental of premises		5,330	5,703	4,049	4,423
Computer software written-off	18	-	66	-	66
Others		623	608	570	544
		28,207	24,685	25,130	21,800
Marketing and communication expenses:					
Advertising, promotional and other marketing activities		727	837	426	502
Sales commission		28	29	28	29
Travelling and entertainment		1,521	1,126	1,288	977
Communication and other expenses		2,997	2,939	1,945	2,014
		5,273	4,931	3,687	3,522
Administration and general expenses:					
Professional services		14,591	14,083	3,227	2,197
Travelling		219	228	219	218
Subscription and periodicals		8,959	9,062	1,882	1,753
Others		5,942	5,379	4,998	4,343
		29,711	28,752	10,326	8,511
Service transfer pricing, net	35	36,632	34,532	31,263	29,964
		246,427	221,307	171,111	148,415

Included in other operating expenses are the following:

		Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Directors' remuneration	29	1,805	1,938	1,614	1,721
Auditors' remuneration:					
Parent auditor:					
Audit		265	253	180	171
Regulatory and assurance related		74	155	74	155
Other services		97	-	97	-

29. CHIEF EXECUTIVE OFFICER'S AND DIRECTORS' REMUNERATION

The total remuneration (including benefits-in-kind) of the CEO and Directors of the Bank are as follows:

Group 2025	Fees RM'000	Salary RM'000	Bonus [1] RM'000	Long Term Incentive ("LTI") [1] RM'000	Other Emoluments [2] RM'000	Benefits-in-kind RM'000	Total RM'000
CEO:							
Tracy Chen Wee Keng	-	1,500	1,568	757	734	14	4,573
Non-Executive Directors:							
Jeyaratnam a/l Tamotharam Pillai	243	-	-	-	213	27	483
Lum Sing Fai	150	-	-	-	57	2	209
Ramesh Pillai	150	-	-	-	73	14	237
Chee Li Har	240	-	-	-	108	13	361
Dato' Kong Sooi Lin	150	-	-	-	58	8	216
Datin Hayati Aman Binti Hashim	150	-	-	-	72	11	233
Seow Yoo Lin	39	-	-	-	15	12	66
	1,122	-	-	-	596	87	1,805
Total CEO's and Directors' remuneration	1,122	1,500	1,568	757	1,330	101	6,378

2024	Fees RM'000	Salary RM'000	Bonus [1] RM'000	LTI [1] RM'000	Other Emoluments [2] RM'000	Benefits-in-kind RM'000	Total RM'000
CEO:							
Tracy Chen Wee Keng	-	1,402	1,210	680	600	13	3,905
Non-Executive Directors:							
Jeyaratnam a/l Tamotharam Pillai	270	-	-	-	215	19	504
Lum Sing Fai	150	-	-	-	28	4	182
Ramesh Pillai	150	-	-	-	75	17	242
Chee Li Har	240	-	-	-	113	2	355
Seow Yoo Lin	150	-	-	-	75	2	227
Dato' Kong Sooi Lin	150	-	-	-	60	1	211
Datin Hayati Aman Binti Hashim	150	-	-	-	65	2	217
	1,260	-	-	-	631	47	1,938
Total CEO's and Directors' remuneration	1,260	1,402	1,210	680	1,231	60	5,843

Notes:

[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 CEO received RM773,120 (2024: RM Nil) in shares in relation to the LTI vesting.

[2] Include statutory contributions and allowances.

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

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

Bank 2025	Fees RM'000	Salary RM'000	Bonus [1] RM'000	LTI [1] RM'000	Other Emoluments [2] RM'000	Benefits-in-kind RM'000	Total RM'000
CEO:							
Tracy Chen Wee Keng	-	1,500	1,568	757	734	14	4,573
Non-Executive Directors:							
Jeyaratnam a/l Tamotharam Pillai	160	-	-	-	205	26	391
Lum Sing Fai	150	-	-	-	57	2	209
Ramesh Pillai	150	-	-	-	73	14	237
Chee Li Har	150	-	-	-	100	12	262
Dato' Kong Sooi Lin	150	-	-	-	58	8	216
Datin Hayati Aman Binti Hashim	150	-	-	-	72	11	233
Seow Yoo Lin	39	-	-	-	15	12	66
	949	-	-	-	580	85	1,614
Total CEO's and Directors' remuneration	949	1,500	1,568	757	1,314	99	6,187

2024	Fees RM'000	Salary RM'000	Bonus [1] RM'000	LTI [1] RM'000	Other Emoluments [2] RM'000	Benefits-in-kind RM'000	Total RM'000
CEO:							
Tracy Chen Wee Keng	-	1,402	1,210	680	600	13	3,905
Non-Executive Directors:							
Jeyaratnam a/l Tamotharam Pillai	160	-	-	-	208	18	386
Lum Sing Fai	150	-	-	-	28	4	182
Ramesh Pillai	150	-	-	-	75	17	242
Chee Li Har	150	-	-	-	105	1	256
Seow Yoo Lin	150	-	-	-	75	2	227
Dato' Kong Sooi Lin	150	-	-	-	60	1	211
Datin Hayati Aman Binti Hashim	150	-	-	-	65	2	217
	1,060	-	-	-	616	45	1,721
Total CEO's and Directors' remuneration	1,060	1,402	1,210	680	1,216	58	5,626

Notes:

[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 CEO received RM773,120 (2024: RM Nil) in shares in relation to the LTI vesting.

[2] Include statutory contributions and allowances.

30. WRITEBACK OF/(ALLOWANCES FOR) IMPAIRMENT ON LOANS AND ADVANCES

	Group and Bank 2025 RM'000	Group and Bank 2024 RM'000
Writeback of/(Allowances for) impairment on loans and advances (Note 11(g))	2,548	(11,717)
Impaired loans and advances recovered, net	-	359
	2,548	(11,358)

31. WRITEBACK OF/(ALLOWANCES FOR) IMPAIRMENT ON OTHER ASSETS

		Group		Bank	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets:					
Trade receivables and other assets	15(c)	2,998	(10,678)	2,993	(10,684)
Non-financial assets:					
Computer software	18	349	(1,186)	349	(1,058)

32. TAXATION

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax:				
Estimated tax payable	17,813	20,679	-	-
Over provision of taxation in respect of prior financial years	(1,993)	(13,722)	-	(13,435)
	15,820	6,957	-	(13,435)
Deferred tax (Note 13):				
Relating to origination and reversal of temporary differences	12,213	6,432	11,970	7,739
Over provision of deferred tax in prior financial years	(72)	(42,915)	(77)	(42,987)
	12,141	(36,483)	11,893	(35,248)
Taxation	27,961	(29,526)	11,893	(48,683)

Domestic income tax is calculated at the statutory tax rate of 24% (2024: 24%) on the estimated chargeable profit for the financial year.

32. TAXATION (CONT'D.)

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 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation	130,107	111,476	108,799	94,382
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	31,226	26,754	26,112	22,652
Income not subject to tax	(2,259)	(360)	(14,908)	(15,600)
Expenses not deductible for tax purposes	1,059	717	766	687
Over provision of current tax in prior years	(1,993)	(13,722)	-	(13,435)
Over provision of deferred tax in prior years	(72)	(42,915)	(77)	(42,987)
Taxation	27,961	(29,526)	11,893	(48,683)

33. BASIC/DILUTED EARNINGS PER SHARE

	Group	
	2025	2024
Net profit attributable to shareholder of the Bank (RM'000)	102,146	141,002
Weighted average number of ordinary shares in issue at the end of the financial year ('000)	314,035	314,035
Basic/diluted earnings per share (sen)	32.5	44.9

34. DIVIDENDS

	Group and Bank	
	2025 RM'000	2024 RM'000
Recognised during the financial year:		
In respect of financial year ended 31 March 2023		
Single-tier cash dividend declared of 23.90 sen per ordinary share on 314,035,088 ordinary shares	-	75,054
In respect of financial year ended 31 March 2025		
Interim single-tier cash dividend declared of 10.3 sen per ordinary share on 314,035,088 ordinary shares	32,346	-
Proposed but not recognised as a liability:		
Final single-tier dividend declared of 20.6 sen per ordinary share on 314,035,088 ordinary shares	64,691	-

No proposed dividend for the financial year ended 31 March 2024.

The financial statements for the current financial year do not reflect the proposed 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.

35. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

For the purpose of these financial statements, parties are considered to be related to the Group or the Bank if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other 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 the subsidiaries are disclosed in Note 14.

(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")

The associates of the holding company are Liberty Global Holdings Sdn Bhd, AmFirst Real Estate Investment Trust and Bonuskad Loyalty 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 the Bank, either directly or indirectly. The KMP of the Group and the Bank include the Non-Executive Directors of the Group and of the Bank (including close members of their families), and the CEO of the Bank.

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

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

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

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

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

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

	Holding company		Related companies		Associates and joint ventures	
Group	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Income						
Interest on deposit and placements	-	-	13,913	30,595	-	-
Fee income	-	-	505	5,055	-	-
Rental income	-	-	2,188	2,188	-	-
	-	-	16,606	37,838	-	-
Expenses						
Interest on deposits and placements (Note 25)	-	-	43,647	64,084	-	-
Rental of premises	-	-	6,345	6,566	236	253
Service transfer pricing, net (Note 28)	-	-	36,632	34,532	-	-
Insurance premiums	-	-	-	-	2,863	1,869
Foreign exchange loss	-	-	1	-	-	-
Depreciation of right-of-use assets	-	-	-	-	194	194
Finance cost for lease liabilities	-	-	-	-	46	52
	-	-	86,625	105,182	3,339	2,368

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

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

	Holding company		Related companies		Associates and joint ventures	
Group	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Assets						
Cash and short-term funds	-	-	323,261	521,097	-	-
Deposits and placements with a bank (Note 7)	-	-	-	500,000	-	-
Interest receivables	-	-	25	12,564	-	-
Amount due from related companies (Note 15)	97	75	329	277	-	-
Derivative financial assets (Note 8)	-	-	-	1	-	-
Right-of-use assets	-	-	-	-	1,167	1,361
	97	75	323,615	1,033,939	1,167	1,361
Liabilities						
Deposits and placements of a bank (Note 19)	-	-	700,000	1,700,000	-	-
Interest payable (Note 21)	-	-	5,616	37,531	-	-
Amount due to related companies (Note 21)	6	-	16,788	9,442	-	-
Derivative financial liabilities (Note 8)	-	-	1	-	-	-
Lease liabilities	-	-	-	-	1,282	1,472
	6	-	722,405	1,746,973	1,282	1,472
Commitment and contingencies						
Contract/notional amount for derivatives	-	-	501	340	-	-

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

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

	Holding company		Related companies		Subsidiaries		Associates and joint ventures	
	2025	2024	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank								
Income								
Interest on deposit and placements	-	-	12,330	27,285	-	-	-	-
Fee income	-	-	505	5,055	18,584	16,230	-	-
Rental income	-	-	2,188	2,188	5	5	-	-
Service transfer pricing (Note 28)	-	-	-	-	77	60	-	-
	-	-	15,023	34,528	18,666	16,295	-	-
Expenses								
Interest on deposits and placements (Note 25)	-	-	43,647	64,084	-	-	-	-
Rental of premises	-	-	5,065	5,285	-	-	236	253
Service transfer pricing (Note 28)	-	-	31,340	30,024	-	-	-	-
Insurance premiums	-	-	-	-	-	-	1,926	1,869
Foreign exchange loss	-	-	1	-	-	-	-	-
Depreciation of right-of-use assets	-	-	-	-	-	-	194	194
Finance cost for lease liabilities	-	-	-	-	-	-	46	52
	-	-	80,053	99,393	-	-	2,402	2,368

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

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

	Holding company		Related companies		Subsidiaries		Associates and joint ventures	
	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
Assets								
Cash and short-term funds	-	-	219,320	423,820	-	-	-	-
Deposits and placements with a bank (Note 7)	-	-	-	500,000	-	-	-	-
Interest receivables	-	-	25	12,564	-	-	-	-
Amount due from related companies (Note 15)	91	55	324	272	4,324	3,814	-	-
Derivative financial assets (Note 8)	-	-	-	1	-	-	-	-
Right-of-use assets	-	-	-	-	-	-	1,167	1,361
	91	55	219,669	936,657	4,324	3,814	1,167	1,361
Liabilities								
Deposits and placements of a bank (Note 19)	-	-	700,000	1,700,000	-	-	-	-
Interest payable (Note 21)	-	-	5,616	37,531	-	-	-	-
Amount due to related companies (Note 21)	-	-	8,928	4,052	-	-	-	-
Derivative financial liabilities (Note 8)	-	-	1	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	1,282	1,472
	-	-	714,545	1,741,583	-	-	1,282	1,472
Commitment and contingencies								
Contract/notional amount for derivatives	-	-	501	340	-	-	-	-

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

(b) There were no loans granted to the Directors and KMP of the Bank other than in the normal course of business of the Group and of the Bank. Loans made to other KMP of the Group and the Bank, if any, 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 Group and the Bank incur intercompany charges for shared operating costs of AMMB Group in Malaysia as disclosed under service transfer pricing expenses. The services received related to expenses incurred for group shared services in respect of internal audit, finance, human resource, marketing and communications, legal, company secretarial, organisation and development and information systems.

(d) KMP compensation

The remuneration of the CEO and Directors of the Group and the Bank is disclosed in Note 29. The remuneration of other KMP of RM264,000 (2024: RM174,000) was charged to the Group and the Bank via service transfer pricing expenses.

36. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

The disclosure on Credit Transactions and Exposures with Connected Parties is presented in accordance with paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

Based on these guidelines, a connected party refers to the following:

(i) Directors of the Bank and their close relatives;

(ii) Controlling shareholder and his close relatives;

(iii) Influential shareholder and his close relatives;

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

(v) Officers who are responsible for or have the authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually, and their close relatives;

(vi) Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (v) above, or in which they have interest as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;

(vii) Any person for whom the persons listed in (i) to (v) above is a guarantor; or

(viii) Subsidiary of or an entity controlled by the Bank and its connected parties.

36. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES (CONT'D.)

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 private debt securities 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 into with other counterparties with similar circumstances and creditworthiness. Due care has been taken to ensure that the creditworthiness of the connected party is not less than that normally required of other persons.

	Group and Bank	
	2025	**2024**
Outstanding credit exposure with connected parties (RM'000)	371	177
Percentage of outstanding credit exposure to connected parties as proportion of total credit exposures (%)	0.06	0.02

37. FIDUCIARY DUTY IN RESPECT OF INVESTMENT PORTFOLIO MANAGEMENT

Investment portfolio funds managed by the Group and the Bank on behalf of customers as at 31 March 2025 amounted to RM62,971,256,320 (2024: RM61,681,628,028) and RM10,812,312,342 (2024: RM11,052,085,668) respectively.

38. CAPITAL COMMITMENTS

	Group		Bank	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Authorised and contracted for:				
Purchase of office equipment, information technology equipment and solutions	286	697	98	594
Authorised but not contracted for:				
Purchase of office equipment, information technology equipment and solutions	2,512	6,509	2,512	6,509
Total capital commitments	2,798	7,206	2,610	7,103

39. 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 are as follows:

	Group and Bank	
	2025	**2024**
	RM'000	**RM'000**
Commitments		
Other commitments, such as formal standby facilities and credit lines with an original maturity of up to one year	198,763	211,710
Contingencies		
Obligations under an on-going underwriting agreement	13,862	10,373
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	501	340
Equity and commodity related contract:		
- One year or less	-	66,620
Total	213,126	289,043

40. MONIES IN TRUST

(a) Monies in trust in relation to the Group's and the Bank's stockbroking and futures businesses excluded from the statements of financial position in accordance with Financial Reporting Standards Implementation Committee Consensus 18 *Monies Held in Trust by Participating Organisations of Bursa Malaysia Securities Berhad* ("FRSIC 18"):

	Group and Bank	
	2025	**2024**
	RM'000	**RM'000**
Clients' trust balances and dealers' representative balances	576,958	471,156
Remisiers' trust balances	31,101	31,035
	608,059	502,191

(b) Monies held in trust in relation to the Group's fund management business excluded from the statement of financial position:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Monies in trust in relation to the fund management business	31,535	49,716

41. 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 2025	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	534,141	-	534,141
Financial investments at FVOCI	-	33,076	33,076
Financial investment at amortised cost	-	75,000	75,000
Loans and advances	604,985	143	605,128
Statutory deposit with Bank Negara Malaysia	-	10,189	10,189
Deferred tax assets	-	32,550	32,550
Trade receivables and other assets	912,583	5,289	917,872
Property and equipment	-	15,654	15,654
Right-of-use assets	-	1,415	1,415
Intangible assets	-	42,107	42,107
TOTAL ASSETS	2,051,709	215,423	2,267,132
LIABILITIES			
Deposits and placements of a bank	700,000	-	700,000
Derivative financial liabilities	1	-	1
Trade payables and other liabilities	871,274	2,258	873,532
TOTAL LIABILITIES	1,571,275	2,258	1,573,533

Group 2024	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	725,841	-	725,841
Deposits and placements with a bank	500,000	-	500,000
Derivative financial assets	1,403	-	1,403
Financial investments at FVOCI	-	33,167	33,167
Financial investment at amortised cost	-	75,000	75,000
Loans and advances	877,217	320	877,537
Statutory deposit with Bank Negara Malaysia	-	14,689	14,689
Deferred tax assets	-	44,658	44,658
Trade receivables and other assets	1,068,475	2,717	1,071,192
Property and equipment	-	14,560	14,560
Right-of-use assets	-	2,087	2,087
Intangible assets	-	40,481	40,481
TOTAL ASSETS	3,172,936	227,679	3,400,615
LIABILITIES			
Deposits and placements of a bank	1,700,000	-	1,700,000
Financial liabilities at FVPTL	68,022	-	68,022
Trade payables and other liabilities	1,006,284	2,353	1,008,637
TOTAL LIABILITIES	2,774,306	2,353	2,776,659

41. 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 2025	**Up to 12 months RM'000**	**Over 12 months RM'000**	**Total RM'000**
ASSETS			
Cash and short-term funds	430,714	-	430,714
Financial investments at FVOCI	-	33,076	33,076
Financial investment at amortised cost	-	75,000	75,000
Loans and advances	604,985	143	605,128
Statutory deposit with Bank Negara Malaysia	-	10,189	10,189
Deferred tax assets	-	28,970	28,970
Investments in subsidiaries	-	51,054	51,054
Trade receivables and other assets	883,094	4,612	887,706
Property and equipment	-	15,175	15,175
Right-of-use assets	-	1,415	1,415
Intangible assets	-	4,198	4,198
TOTAL ASSETS	1,918,793	223,832	2,142,625
LIABILITIES			
Deposits and placements of a bank	700,000	-	700,000
Derivative financial liabilities	1	-	1
Trade payables and other liabilities	839,143	2,258	841,401
TOTAL LIABILITIES	1,539,144	2,258	1,541,402

Bank 2024	**Up to 12 months RM'000**	**Over 12 months RM'000**	**Total RM'000**
ASSETS			
Cash and short-term funds	626,037	-	626,037
Deposits and placements with a bank	500,000	-	500,000
Derivative financial assets	1,403	-	1,403
Financial investments at FVOCI	-	33,167	33,167
Financial investment at amortised cost	-	75,000	75,000
Loans and advances	877,217	320	877,537
Statutory deposit with Bank Negara Malaysia	-	14,689	14,689
Deferred tax assets	-	40,830	40,830
Investments in subsidiaries	-	51,054	51,054
Trade receivables and other assets	1,042,622	2,050	1,044,672
Property and equipment	-	14,205	14,205
Right-of-use assets	-	2,087	2,087
Intangible assets	-	3,068	3,068
TOTAL ASSETS	3,047,279	236,470	3,283,749
LIABILITIES			
Deposits and placements of a bank	1,700,000	-	1,700,000
Financial liabilities at FVTPL	68,022	-	68,022
Trade payables and other liabilities	976,554	2,353	978,907
TOTAL LIABILITIES	2,744,576	2,353	2,746,929

42. 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.

42. CAPITAL MANAGEMENT (CONT'D.)

The capital adequacy ratios are computed in accordance with BNM's policy documents on Capital Adequacy Framework (Capital Components) issued on 14 June 2024 and Capital Adequacy Framework (Basel II - Risk Weighted Assets) issued on 18 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 Tier 1 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").

(a) As at 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 the Bank are as follows:

	31 March 2024*	
	Group	Bank
Before/after deducting proposed dividends		
CET1 Capital Ratio	28.271%	27.952%
Tier 1 Capital Ratio	28.271%	27.952%
Total Capital Ratio	29.010%	28.846%

(b) Effective 1 April 2024, the transitional arrangements have ended and the capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's policy documents on Capital Adequacy Framework (Capital Components) issued on 14 June 2024.

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

	31 March 2025		31 March 2024*	
	Group	Bank	Group	Bank
Before deducting proposed dividends:				
CET1 Capital Ratio	45.026%	45.121%	28.270%	27.951%
Tier 1 Capital Ratio	45.026%	45.121%	28.270%	27.951%
Total Capital Ratio	45.672%	45.858%	29.010%	28.846%
After deducting proposed dividends:				
CET1 Capital Ratio	40.228%	39.357%	28.270%	27.951%
Tier 1 Capital Ratio	40.228%	39.357%	28.270%	27.951%
Total Capital Ratio	40.874%	40.093%	29.010%	28.846%

* No dividend was proposed for the financial year ended 31 March 2024.

42. CAPITAL MANAGEMENT (CONT'D.)

(c) The components of CET1 Capital/Tier 1 Capital, Tier 2 Capital 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/Tier 1 Capital				
Ordinary shares	330,000	330,000	330,000	330,000
Retained earnings	266,155	193,432	258,709	191,226
Fair value reserve	1,755	1,912	1,755	1,912
Regulatory reserve	10,759	13,682	10,759	13,682
Capital reserve	2,815	2,815	-	-
Merger reserve	82,115	82,115	-	-
Less: Regulatory adjustments applied on CET1 Capital:				
- Goodwill	(36,442)	(36,442)	-	-
- Other intangible assets	(5,665)	(4,039)	(4,198)	(3,068)
- Deferred tax assets	(32,727)	(44,792)	(29,147)	(40,964)
- 55% of fair value reserve	(965)	(1,052)	(965)	(1,052)
- Regulatory reserve	(10,759)	(13,682)	(10,759)	(13,682)
- Investments in capital instruments of unconsolidated financial entities	-	-	(49,809)	(49,809)
- Other CET1 regulatory adjustments specified by BNM ^	-	9	-	9
CET1 Capital/Tier 1 Capital	**607,041**	**523,958**	**506,345**	**428,254**
<u>**Tier 2 Capital**</u>				
General provisions*	8,709	13,694	8,264	13,694
Tier 2 Capital	**8,709**	**13,694**	**8,264**	**13,694**
Total Capital	**615,750**	**537,652**	**514,609**	**441,948**

The breakdown of risk-weighted assets ("RWA") of the Group and the Bank in the various risk categories are as follows:

	Group		Bank	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Credit RWA	639,911	1,196,440	604,346	1,164,364
Exposures to Central Counterparties RWA	56,810	-	56,810	-
Market RWA	34,304	25,608	22,450	15,539
Operational RWA#	617,163	631,315	438,581	352,208
Total RWA	1,348,188	1,853,363	1,122,187	1,532,111

^ Other CET1 regulatory adjustments specified by BNM as at 31 March 2024 refers to adjustments on transitional arrangement as mentioned in Note 42(a) above. As the transition arrangement has ended effective 1 April 2024, there are no adjustments as at 31 March 2025.

* Consists of provision for performing assets and regulatory reserve subject to a maximum of 1.25% of total credit RWA.

\# 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).

43. RISK MANAGEMENT

43.1 GENERAL RISK MANAGEMENT

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 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 challenge to the environment that AMMB Group operates in.

The Risk Appetite Framework provides portfolio limits/triggers for Credit Risk, Traded Market Risk, Non-Traded Market Risk, Operational Risk and Technology Risk incorporating, inter alia, limits/triggers for countries, industries, single counterparty group, products, value at risk, stop loss, stable funding ratio, liquidity and ORM tools.

AmInvestment Bank Risk Direction

AMMB Group's FY2025 to FY2029 Winning Together Strategy blueprint is to focus and reconstruct on 8 key areas, namely, (1) Path to Return on Equity ("ROE") of ≥10%, (2) Sharpening Segment Play, (3) Holistic Customer Value Proposition ("CVP") Leveraging A Collaboration Culture and Partnerships, (4) Pushing Capital-Light Revenue, (5) Ramping Up the Next Wave of Digital Initiatives, (6) Future Proofing The Workforce, (7) Integrating ESG Considerations and (8) The Digital Bank.

1. The Bank aspires to have a minimum financial institution external rating of AA2 based on reference ratings by RAM Rating Services Berhad ("RAM").

   The Bank will maintain the professional conduct of the Bank and ensure fair dealing with our clients in all business undertakings.

   The Bank will remain vigilant in the following areas to protect its reputation and business franchise:
   - keeping up and complying with regulatory changes; and
   - risk identification and management of risks arising from new client and/or mandate (including for advisory businesses).

2. The Bank aims to maintain its Capital Ratio at the Group's Internal Capital Target under normal conditions.

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

4. The Bank recognises the importance of funding its own business. It aims to maintain the following:
   (a) Liquidity Coverage Ratio ("LCR") (both consolidated and entity level) at least 10 percentage point above prevailing regulatory minimum;
   (b) Stressed LCR (both consolidated and entity level) above the regulatory requirement; and
   (c) Net Stable Funding Ratio ("NSFR") (Financial Holding Company ("FHC") level) above the prevailing regulatory minimum (effective from July 2020).

43. RISK MANAGEMENT (CONT'D.)

43.1 GENERAL RISK MANAGEMENT (CONT'D.)

AmInvestment Bank Risk Direction (Cont'd.)

5. The Bank aims to maintain adequate controls for all key businesses to manage 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
   - Remain vigilant in risk identification and management to protect its reputation and business franchise.
6. The Bank aims to manage its exposures to Greenhouse 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.

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, IT risk, climate related risk and sustainability (covering ESG) risk.

AMMB Group has an independent risk management function, headed by 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, climate related and sustainability risks;
- 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 Board and the Boards of the respective banking entities to facilitate suitable escalation of issues of concern across the organisation.

43. RISK MANAGEMENT (CONT'D.)

43.2 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 Loans ("GIL")
Control/ Mitigation	• Portfolio Limits, Counterparty Limits • Non-Retail Pricing • Collateral and tailored facility structures
Monitoring/ Review	• Monitor and report portfolio mix • Review Classified Accounts • Review Rescheduled and Restructured Accounts • Undertake post-mortem credit review • Annual refresh of borrowers' credit 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 AMMB Group’s 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 each of the Bank’s credit exposures and the overall credit assessment is conducted either through a program lending or discretionary lending approach.

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.

43. RISK MANAGEMENT (CONT'D.)

43.2 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 trigger:
  - single counterparty credit exposure;
  - industry sector exposure; and
  - country risk exposure.
- Non-Retail Credit Policy ("NRCP") which sets out the credit principles and requirements for managing credit risk in the Wholesale Banking ("WB") and Business Banking ("BB") 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) sets out the controls in managing R&R loans.

Exposure outside the approval discretions of individual Credit Approval Delegation ("CAD") holders are escalated to higher approving authority or Credit and Commitments Committee (“CACC”) for approval. In the event such exposure exceeds a stipulated customer group threshold within AMMB Group, the letter of offer shall not be issued until the credit is reviewed by the Board Credit Committee (“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 loans portfolio and review the portfolio risk profile against the GRAF and recommend or approve new and amended credit risk policies or guidelines.

Group Risk Management prepares monthly Risk Reports which detail important portfolio composition and trend analysis incorporating asset growth, asset quality, impairment, flow rates of loan 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 concentrations 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.

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.1a Industry Analysis

Group	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale, and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Allowances for ECL RM'000	Total RM'000
2025																
Cash and short-term funds	-	-	-	-	-	-	-	367,449	166,692	-	-	-	-	-	-	534,141
Financial investments at FVOCI																
Money Market Securities	-	-	-	-	-	-	-	-	30,336	-	-	-	-	-	-	30,336
Financial investment at amortised cost																
Unquoted Corporate Bond	-	-	-	-	75,000	-	-	-	-	-	-	-	-	-	-	75,000
Loans and advances	343	-	4,868	-	-	6,816	12,665	-	-	1,260	3,179	9,806	575,361	-	(9,170)	605,128
Trade receivables and other financial assets	274	14	1,094	314	3,534	23	158	444,503	466	1,835	22,860	1,250	55,940	338,753	(11,262)	859,756
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-	10,189	-	-	-	-	-	-	10,189
Total financial assets	617	14	5,962	314	78,534	6,839	12,823	811,952	207,683	3,095	26,039	11,056	631,301	338,753	(20,432)	2,114,550
Commitments																
Irrevocable commitments to extend credit	-	-	-	-	-	-	-	-	-	-	-	8,789	189,974	-	-	198,763
Contingent liabilities																
Obligations under on-going underwriting agreement	-	-	-	-	-	13,862	-	-	-	-	-	-	-	-	-	13,862

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.1a Industry Analysis (Cont'd.)

Group	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale, and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Allowances for ECL RM'000	Total RM'000
2024																
Cash and short-term funds	-	-	-	-	-	-	-	575,456	150,385	-	-	-	-	-	-	725,841
Deposits and placements with a bank	-	-	-	-	-	-	-	500,000	-	-	-	-	-	-	-	500,000
Financial investments at FVOCI																
Money Market Securities	-	-	-	-	-	-	-	-	30,373	-	-	-	-	-	-	30,373
Financial investment at amortised cost																
Unquoted Corporate Bond	-	-	-	-	75,000	-	-	-	-	-	-	-	-	-	-	75,000
Loans and advances	356	-	4,999	-	-	5,388	14,966	-	-	399	6,988	9,537	846,622	-	(11,718)	877,537
Derivative financial assets	-	-	-	-	1,403	-	-	-	-	-	-	-	-	-	-	1,403
Trade receivables and other financial assets	-	-	15	1,603	1,658	721	690	592,464	464	279	28,686	11	59,380	339,418	(14,260)	1,011,129
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-	14,689	-	-	-	-	-	-	14,689
Total financial assets	356	-	5,014	1,603	78,061	6,109	15,656	1,667,920	195,911	678	35,674	9,548	906,002	339,418	(25,978)	3,235,972
Commitments																
Irrevocable commitments to extend credit	-	-	-	-	-	-	-	-	-	-	-	20,034	191,676	-	-	211,710
Contingent liabilities																
Obligations under on-going underwriting agreement	-	-	-	-	10,373	-	-	-	-	-	-	-	-	-	-	10,373

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.1a Industry Analysis (Cont'd.)

Bank	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale, and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Allowances for ECL RM'000	Total RM'000
2025																
Cash and short-term funds	-	-	-	-	-	-	-	264,022	166,692	-	-	-	-	-	-	430,714
Financial investments at FVOCI																
Money Market Securities	-	-	-	-	-	-	-	-	30,336	-	-	-	-	-	-	30,336
Financial investment at amortised cost																
Unquoted Corporate Bond	-	-	-	-	75,000	-	-	-	-	-	-	-	-	-	-	75,000
Loans and advances	343	-	4,868	-	-	6,816	12,665	-	-	1,260	3,179	9,806	575,361	-	(9,170)	605,128
Trade receivables and other financial assets	274	14	1,094	314	3,534	23	158	415,016	466	1,834	22,860	1,250	55,940	338,753	(10,966)	830,564
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-	10,189	-	-	-	-	-	-	10,189
Total financial assets	617	14	5,962	314	78,534	6,839	12,823	679,038	207,683	3,094	26,039	11,056	631,301	338,753	(20,136)	1,981,931
Commitments																
Irrevocable commitments to extend credit	-	-	-	-	-	-	-	-	-	-	-	8,789	189,974	-	-	198,763
Contingent liabilities																
Obligations under on-going underwriting agreement	-	-	-	-	-	13,862	-	-	-	-	-	-	-	-	-	13,862

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.1a Industry Analysis (Cont'd.)

Bank	Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, Gas and Water RM'000	Construction RM'000	Wholesale, and Retail Trade and Hotels and Restaurants RM'000	Transport, Storage and Communication RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Allowances for ECL RM'000	Total RM'000
2024																
Cash and short-term funds	-	-	-	-	-	-	-	475,652	150,385	-	-	-	-	-	-	626,037
Deposits and placements with a bank	-	-	-	-	-	-	-	500,000	-	-	-	-	-	-	-	500,000
Financial investments at FVOCI *Money Market Securities*	-	-	-	-	-	-	-	-	30,373	-	-	-	-	-	-	30,373
Financial investment at amortised cost *Unquoted Corporate Bond*	-	-	-	-	75,000	-	-	-	-	-	-	-	-	-	-	75,000
Loans and advances	356	-	4,999	-	-	5,388	14,966	-	-	399	6,988	9,537	846,622	-	(11,718)	877,537
Derivative financial assets	-	-	-	-	1,403	-	-	-	-	-	-	-	-	-	-	1,403
Trade receivables and other financial assets	-	-	15	1,603	1,658	721	690	565,716	464	279	28,686	11	59,380	339,418	(13,959)	984,682
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-	14,689	-	-	-	-	-	-	14,689
Total financial assets	356	-	5,014	1,603	78,061	6,109	15,656	1,541,368	195,911	678	35,674	9,548	906,002	339,418	(25,677)	3,109,721
Commitments Irrevocable commitments to extend credit	-	-	-	-	-	-	-	-	-	-	-	20,034	191,676	-	-	211,710
Contingent liabilities Obligations under on-going underwriting agreement	-	-	-	-	10,373	-	-	-	-	-	-	-	-	-	-	10,373

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.1b Geographical Analysis

Group	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2025			
Cash and short-term funds	532,314	1,827	534,141
Financial investments at FVOCI			
Money Market Securities	30,336	-	30,336
Financial investment at amortised cost			
Unquoted Corporate Bond	75,000	-	75,000
Loans and advances	614,298	-	614,298
Less: Allowances for ECL	(9,170)	-	(9,170)
Total loans and advances	605,128	-	605,128
Trade receivables and other financial assets	871,012	6	871,018
Less: Allowances for ECL	(11,262)	-	(11,262)
Total trade receivables and other financial assets	859,750	6	859,756
Statutory deposit with Bank Negara Malaysia	10,189	-	10,189
Total financial assets	2,112,717	1,833	2,114,550
Commitments			
Irrevocable commitments to extend credit	198,763	-	198,763
Contingent liabilities			
Obligations under on-going underwriting agreement	13,862	-	13,862

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.1b Geographical Analysis (Cont'd.)

Group	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2024			
Cash and short-term funds	724,936	905	725,841
Deposits and placements with a bank	500,000	-	500,000
Financial investments at FVOCI			
Money Market Securities	30,373	-	30,373
Financial investment at amortised cost			
Unquoted Corporate Bond	75,000	-	75,000
Loans and advances	889,255	-	889,255
Less: Allowances for ECL	(11,718)	-	(11,718)
Total loans and advances	877,537	-	877,537
Derivative financial assets	1,403	-	1,403
Trade receivables and other financial assets	1,025,382	7	1,025,389
Less: Allowances for ECL	(14,260)	-	(14,260)
Total trade receivables and other financial assets	1,011,122	7	1,011,129
Statutory deposit with Bank Negara Malaysia	14,689	-	14,689
Total financial assets	3,235,060	912	3,235,972
Commitments			
Irrevocable commitments to extend credit	211,710	-	211,710
Contingent liabilities			
Obligations under on-going underwriting agreement	10,373	-	10,373

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.1b Geographical Analysis (Cont'd.)

Bank	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2025			
Cash and short-term funds	428,887	1,827	430,714
Financial investments at FVOCI			
Money Market Securities	30,336	-	30,336
Financial investment at amortised cost			
Unquoted Corporate Bond	75,000	-	75,000
Loans and advances	614,298	-	614,298
Less: Allowances for ECL	(9,170)	-	(9,170)
Total loans and advances	605,128	-	605,128
Trade receivables and other financial assets	841,524	6	841,530
Less: Allowances for ECL	(10,966)	-	(10,966)
Total trade receivables and other financial assets	830,558	6	830,564
Statutory deposit with Bank Negara Malaysia	10,189	-	10,189
Total financial assets	1,980,098	1,833	1,981,931
Commitments			
Irrevocable commitments to extend credit	198,763	-	198,763
Contingent liabilities			
Obligations under on-going underwriting agreement	13,862	-	13,862

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.1b Geographical Analysis (Cont'd.)

Bank	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2024			
Cash and short-term funds	625,132	905	626,037
Deposits and placements with a bank	500,000	-	500,000
Financial investments at FVOCI			
Money Market Securities	30,373	-	30,373
Financial investment at amortised cost			
Unquoted Corporate Bond	75,000	-	75,000
Loans and advances	889,255	-	889,255
Less: Allowances for ECL	(11,718)	-	(11,718)
Total loans and advances	877,537	-	877,537
Derivative financial assets	1,403	-	1,403
Trade receivables and other financial assets	998,634	7	998,641
Less: Allowances for ECL	(13,959)	-	(13,959)
Total trade receivables and other financial assets	984,675	7	984,682
Statutory deposit with Bank Negara Malaysia	14,689	-	14,689
Total financial assets	3,108,809	912	3,109,721
Commitments			
Irrevocable commitments to extend credit	211,710	-	211,710
Contingent liabilities			
Obligations under on-going underwriting agreement	10,373	-	10,373

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.2 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. Types of collateral typically taken by the Group include:

- Cash and term deposits;
- Exchange traded shares, bonds, sukuk, convertible bonds and marketable securities;
- Non-exchange traded debt securities/sukuk;
- Unit trusts (including Amanah Saham Nasional, Amanah Saham Bumiputera and mutual funds); and
- Properties.

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 Foundation Internal Ratings-Based ("IRB") 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 are an integral component in transaction structuring for the Group. For Non-Retail portfolio, where a counterparty's corporate guarantor guarantees 100% of the credit facility, the credit risk rating of the counterparty is able to be substituted, subject to fulfilling certain stipulated conditions. Otherwise, if the stipulated conditions are met but the guarantee is less than 100%, the weighted-average method is able to be employed.

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 Risk Appetite Framework.

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.3 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 8 rating categories (7 for non-defaulted and 1 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.

Description of the Categories for Non-Retail

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:- i. Exceptionally solid and stable operating and financial performance; ii. Debt servicing capacity has been exceptionally strong over the long-term; iii. 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 iv. 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:- i. 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 ii. 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:- i. Counterparties present an identifiable degree of generally acceptable risk, possibly expressing itself as variability in financial and/or operating performance; and ii. 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:- i. Counterparties present a mostly satisfactory risk that requires mitigation, possibly expressing itself as variability in financial and/or operating performance; ii. Debt servicing capacity is satisfactory but adverse changes in circumstances and economic condition may impair this capacity; and iii. 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.

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.3 Credit Quality (Cont'd.)

Description of the Categories for Non-Retail (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:- i. Capacity for timely fulfilment of financial obligations exists; ii. Adverse economic condition or changing business environment is more likely to lead to weakened capacity to meet timely repayment in the long run; and iii. Overall credit quality may be more volatile within this category.
Marginal	Counterparties demonstrate sustained operational and financial instability. The key characteristics are:- i. Erratic performance with one or more recent loss periods, increased borrowings or patchy account conduct; ii. Debt servicing capacity is marginal; iii. Often under strong, sustained competitive pressure; iv. Variability and uncertainty in profitability and liquidity is projected to continue over the short and possibly medium-term; and v. 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:- i. Mediocre financials with consistent loss periods, increased borrowings and/or poor account conduct; ii. Current and expected debt servicing capacity is inadequate; iii. Financial solvency is questionable and/or financial structure is weak; iv. Deteriorating state of business and require significant changes in strategies or practices to return business to sustainable state; and v. Experiencing difficulties, which may result in default in the next one to two years.
Impaired	Impaired account. The key characteristic is that the counterparty has been classified as “impaired” as per the prevailing policy/guidelines.

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.4 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 are scheduled on intervals of 3 months or longer; or
c. other impairment indicators stipulated in the relevant guidelines.

Impaired accounts which undergo restructuring/rescheduling will continue to be impaired for at least 6 months.

Group Provisioning Methodology

The Group's provisioning methodology complies with MFRS 9 where the Group recognises ECL at all times to reflect changes in the credit risk of a financial instrument. The methodology incorporates historical, current and forecasted information into ECL estimation. Consequently, more timely information is required to be provided about ECL.

MFRS 9 applies to all financial assets classified as amortised cost and FVOCI, lease receivables, trade receivables, and commitments to lend money and financial guarantee contracts.

Under MFRS 9, financial instruments are segregated into 3 stages depending on the changes in credit quality since initial recognition. The Group calculates 12-month ECL for Stage 1 and Lifetime ECL for Stage 2 and Stage 3 exposures.

(i) Stage 1: For performing financial instruments which credit risk had not been significantly increased since initial recognition.
(ii) Stage 2: For underperforming financial instruments which credit risk had significantly increased since initial recognition.
(iii) Stage 3: For financial instruments which are credit impaired.

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.4 Impairment (Cont'd.)

Measurement of ECL

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

Changes in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(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) <u>Quantitative</u>

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.

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.4 Impairment (Cont'd.)

Measurement of ECL (Cont'd.)

Significant increase in credit risk ("SICR") (Cont'd.)

(ii) Qualitative

The Group may determine that an exposure has undergone a SICR experiences using its expert credit risk judgement and where possible, relevant historical experience based on qualitative indicators specified by the Group's watchlist criteria that it considers as such and whose effect may not otherwise be fully reflected in quantitative analysis on a timely basis.

In relation to non-retail financial instruments, where a watchlist is used to monitor credit risk, this assessment is performed at the counterparty borrower basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the Wholesale Credit Risk and Business Credit Risk team.

The assessment of SICR incorporates forward-looking information and is performed on a monthly basis at a portfolio level for all financial instruments held by the Group.

Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

(i) Quantitative criteria

(a) The borrower 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 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 are 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.

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.4 Impairment (Cont'd.)

Measurement of ECL (Cont'd.)

Definition of default and credit-impaired assets (Cont'd.)

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. They are adjusted to reflect forward-looking information.

PD estimates are estimated at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors.

Credit risk grades are a primary input in the determination of PD term structure for exposures. If a counterparty or exposure migrates between rating grades, then this will lead to a change in associated PD. The Group collects performance and default information about its credit risk exposures analysed by portfolio.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry, and recovery costs of any collateral that is integral to the financial asset. They are calculated on a discounted cash flow basis using the EIR as the discount factor.

EAD represents the expected exposure in the event of default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of an on-balance sheet asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, and potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts.

Historical LR represents the past record of average loss experience for financial assets of similar classes.

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.4 Impairment (Cont'd.)

Measurement of ECL (Cont'd.)

Forward-looking information incorporated in the ECL models

The measurement of ECL also takes into account the expected credit condition over the remaining life of the financial assets. Forward-looking models are built based on statistical relationship established between Observed Default Rate ("ODR") and Macroeconomic Variables ("MEVs").

This analysis includes the identification and calibration of relationships between changes in default rates and to the MEVs. Examples of key macroeconomic indicators employed are GDP growth, Consumer Price Index ("CPI"), House Price Index ("HPI"), foreign exchange (USD/MYR) and Brent Crude Oil price.

Three scenarios are projected for forward-looking namely base case, optimistic and pessimistic which requires management judgement of the economic situation i.e. normal, bullish or downturn. A weightage is applied to the scenarios to produce an appropriate forward-looking ECL to best reflect the forward-looking economic outlook.

Key variables/assumptions for ECL calculations

The recognition and measurement of ECL is highly complex and involves the use of significant judgement and estimation. This involves establishing the forward-looking macroeconomic conditions into ECL as required under MFRS 9. The allowances for ECL are sensitive to the inputs used and economic assumption underlying the estimate.

The following table shows the forecast of key economic variables used in forward-looking models for ECL calculations for the financial year ended 31 March 2025 and 31 March 2024.

31 March 2025

Macroeconomic Variable List	Forward-Looking Scenario	Assigned Probabilities (%)	2025	2026	2027	2028	2029
Consumer Price Index (%)	Base	60%	2.51	2.98	2.50	2.28	2.18
	Optimistic	10%	2.76	3.28	2.75	2.50	2.39
	Pessimistic	30%	2.13	2.53	2.13	1.93	1.85
GDP Growth (%)	Base	60%	4.65	4.35	4.43	4.75	4.63
	Optimistic	10%	5.12	4.79	4.87	5.23	5.09
	Pessimistic	30%	3.95	3.70	3.76	4.04	3.93
House Price Index (%)	Base	60%	2.99	3.11	3.43	3.25	3.03
	Optimistic	10%	3.29	3.42	3.77	3.57	3.33
	Pessimistic	30%	2.54	2.64	2.92	2.76	2.58
USD/MYR Exchange Rate	Base	60%	4.49	4.43	4.38	4.34	4.32
	Optimistic	10%	3.81	3.76	3.72	3.69	3.68
	Pessimistic	30%	4.94	4.87	4.82	4.77	4.76
Brent Crude Oil Price (USD/barrel)	Base	60%	77.07	74.59	74.23	82.19	83.74
	Optimistic	10%	84.77	82.05	81.65	90.41	92.12
	Pessimistic	30%	65.51	63.40	63.09	69.86	71.18

(Yearly values = average of forecasted quarterly values).

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.4 Impairment (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 the financial year ended 31 March 2025 and 31 March 2024 (Cont'd.).

31 March 2024

Macroeconomic Variable List	Forward-Looking Scenario	Assigned Probabilities (%)	2024	2025	2026	2027	2028
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	85.50
	Optimistic	10%	99.08	102.75	99.00	96.25	94.05
	Pessimistic	30%	76.56	79.40	76.50	74.38	72.68

(Yearly values = average of forecasted quarterly values).

Write-off Governance

(i) Stage 1 write-off

The Group may partially write-off financial assets where the receivables is deemed uncollectable and full recovery is not possible or where customer has been allowed time to repay on negotiated settlement basis. There are no such assets written-off during the financial year ended 31 March 2025 and 31 March 2024. If there are any, the Group would still seek 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. There are no such assets written-off during the financial year ended 31 March 2025 and 31 March 2024.

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.4 Impairment (Cont'd.)

Measurement of ECL (Cont'd.)

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.

There are no financial assets with lifetime ECL whose cash flows were modified during the current and previous financial year.

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.5 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 and the Bank's internal credit rating system.

Loans and advances

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				
Very strong	431,134	50,075	-	481,209
Satisfactory	41,286	-	-	41,286
Moderate	71,816	-	-	71,816
Substandard	98	-	-	98
Impaired	-	-	19,889	19,889
Gross exposure	544,334	50,075	19,889	614,298
Less: Allowances for ECL	(1)	-	(9,169)	(9,170)
Net exposure	544,333	50,075	10,720	605,128

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
2024				
Risk grade				
Very strong	659,401	4,302	-	663,703
Strong	1,959	-	-	1,959
Satisfactory	48,668	-	-	48,668
Moderate	149,385	-	-	149,385
Substandard	192	-	-	192
Impaired	-	-	25,348	25,348
Gross exposure	859,605	4,302	25,348	889,255
Less: Allowances for ECL	(1)	-	(11,717)	(11,718)
Net exposure	859,604	4,302	13,631	877,537

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.5 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 and the Bank'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	2,048	-	2,048
Very strong	358,425	-	358,425
Strong	105,808	-	105,808
Satisfactory	2,949	-	2,949
Marginal	197	-	197
Substandard	3,503	-	3,503
Unrated	386,826	-	386,826
Impaired	-	11,262	11,262
Gross other financial assets	859,756	11,262	871,018
Less: Allowances for ECL	-	(11,262)	(11,262)
Net other financial assets	859,756	-	859,756

Group	Lifetime ECL not credit-impaired RM'000	Lifetime ECL credit-impaired RM'000	Total RM'000
2024			
Risk grade			
Exceptionally strong	1,551	-	1,551
Very strong	360,168	-	360,168
Strong	248,738	-	248,738
Satisfactory	9,581	-	9,581
Moderate	927	-	927
Substandard	15,722	-	15,722
Unrated	374,442	-	374,442
Impaired	-	14,260	14,260
Gross other financial assets	1,011,129	14,260	1,025,389
Less: Allowances for ECL	-	(14,260)	(14,260)
Net other financial assets	1,011,129	-	1,011,129

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.5 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 and the Bank'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	2,048	-	2,048
Very strong	329,245	-	329,245
Strong	105,808	-	105,808
Satisfactory	2,949	-	2,949
Marginal	197	-	197
Substandard	3,503	-	3,503
Unrated	386,814	-	386,814
Impaired	-	10,966	10,966
Gross other financial assets	830,564	10,966	841,530
Less: Allowances for ECL	-	(10,966)	(10,966)
Net other financial assets	830,564	-	830,564

Bank	Lifetime ECL not credit-impaired RM'000	Lifetime ECL credit-impaired RM'000	Total RM'000
2024			
Risk Grade			
Exceptionally strong	1,551	-	1,551
Very strong	333,732	-	333,732
Strong	248,738	-	248,738
Satisfactory	9,581	-	9,581
Moderate	927	-	927
Substandard	15,722	-	15,722
Unrated	374,431	-	374,431
Impaired	-	13,959	13,959
Gross other financial assets	984,682	13,959	998,641
Less: Allowances for ECL	-	(13,959)	(13,959)
Net other financial assets	984,682	-	984,682

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.5 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 and the Bank's internal credit rating system (Cont'd.).

Cash and short-term funds

Stage 1 - 12-month ECL	2025 RM'000	2024 RM'000
Group		
Exceptionally strong	167,843	150,709
Very strong	366,298	575,132
Carrying amount	534,141	725,841
Bank		
Exceptionally strong	167,843	150,709
Very strong	262,871	475,328
Carrying amount	430,714	626,037

Deposits and placements with a bank

	Group and Bank	
Stage 1 - 12-month ECL	**2025 RM'000**	**2024 RM'000**
Very strong	-	500,000

Financial investments at FVOCI

	Group and Bank	
Stage 1 - 12-month ECL	**2025 RM'000**	**2024 RM'000**
Risk grade		
Exceptionally strong	30,336	30,373

Financial investment at amortised cost

	Group and Bank	
Stage 1 - 12-month ECL	**2025 RM'000**	**2024 RM'000**
Risk grade		
Exceptionally strong	75,000	75,000

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.5 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 and the Bank's internal credit rating system (Cont'd.).

Statutory deposit with Bank Negara Malaysia

	Group and Bank	
	2025	2024
Stage 1 - 12-month ECL	RM'000	RM'000
Exceptionally strong	10,189	14,689

Derivative financial assets

	Group and Bank	
	2025	2024
Stage 1 - 12-month ECL	RM'000	RM'000
Strong	-	1,403

Loan commitments

Group and Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit-impaired RM'000	Total RM'000
2025			
Very strong	178,254	-	178,254
Satisfactory	16,916	-	16,916
Moderate	3,135	-	3,135
Substandard	458	-	458
Net exposure	198,763	-	198,763

Group and Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit-impaired RM'000	Total RM'000
2024			
Very strong	176,226	5	176,231
Strong	3,041	-	3,041
Satisfactory	30,996	-	30,996
Moderate	882	-	882
Substandard	560	-	560
Net exposure	211,705	5	211,710

43. RISK MANAGEMENT (CONT'D.)

43.2 CREDIT RISK MANAGEMENT (CONT'D.)

43.2.6 Estimated Value of Collateral for Gross Loans and Advances

The Group and the Bank'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 and the Bank 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	2024	2025	2024	2025	2024
Group and Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share margin financing	612,337	883,186	603,168	871,469	9,169	11,717
Revolving credit	1,751	5,703	1,751	5,703	-	-
Staff loans	210	366	209	366	1	-
Total	614,298	889,255	605,128	877,538	9,170	11,717

43.2.7 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		Impairment allowance		Carrying Amount		Fair value of collateral	
	2025	2024	2025	2024	2025	2024	2025	2024
Group and Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share margin financing	19,889	25,348	9,169	11,717	10,720	13,631	35,316	34,071

43. RISK MANAGEMENT (CONT'D.)

43.3 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	• Liquidity Coverage Ratio ("LCR") • Net Stable Funding Ratio ("NSFR") • Other Detailed Controls
Control/ Mitigation	• LCR Limits/Triggers • NSFR Targets • Other Detailed Triggers
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.

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 and BNM NSFR and other Liquidity Ratios. Investment Banking Market Risk ("IBMR") is responsible for developing and monitoring the controls and limits while 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.

43. RISK MANAGEMENT (CONT'D.)

43.3 Liquidity Risk and Funding Management (Cont'd.)

43.3.1 Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document on Financial Reporting

Group 2025	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	534,141	-	-	-	-	-	-	534,141
Financial investments at FVOCI	-	-	-	-	30,336	-	2,740	33,076
Financial investment at amortised cost	-	-	-	-	75,000	-	-	75,000
Loans and advances	604,947	13	17	8	143	-	-	605,128
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	10,189	-	10,189
Deferred tax assets	-	-	-	-	-	-	32,550	32,550
Trade receivables and other assets	818,232	38,996	1,178	54,177	3,742	1,547	-	917,872
Property and equipment	-	-	-	-	-	-	15,654	15,654
Right-of-use assets	-	-	-	-	-	-	1,415	1,415
Intangible assets	-	-	-	-	-	-	42,107	42,107
Total Assets	1,957,320	39,009	1,195	54,185	109,221	11,736	94,466	2,267,132
Liabilities								
Deposits and placements of a bank	200,000	300,000	200,000	-	-	-	-	700,000
Derivative financial liabilities	1	-	-	-	-	-	-	1
Trade payables and other liabilities	809,322	30,125	6,423	25,404	2,026	232	-	873,532
Total Liabilities	1,009,323	330,125	206,423	25,404	2,026	232	-	1,573,533
Net Gap	947,997	(291,116)	(205,228)	28,781	107,195	11,504	94,466	693,599

43. RISK MANAGEMENT (CONT'D.)

43.3 Liquidity Risk and Funding Management (Cont'd.)

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

Group 2024	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	725,841	-	-	-	-	-	-	725,841
Deposits and placements with a bank	-	500,000	-	-	-	-	-	500,000
Financial investments at FVOCI	-	-	-	-	30,373	-	2,794	33,167
Financial investment at amortised cost	-	-	-	-	75,000	-	-	75,000
Loans and advances	877,172	-	-	45	252	68	-	877,537
Derivative financial assets	1,403	-	-	-	-	-	-	1,403
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	14,689	-	14,689
Deferred tax assets	-	-	-	-	-	-	44,658	44,658
Trade receivables and other assets	960,976	48,390	3,204	55,905	2,717	-	-	1,071,192
Property and equipment	-	-	-	-	-	-	14,560	14,560
Right-of-use assets	-	-	-	-	-	-	2,087	2,087
Intangible assets	-	-	-	-	-	-	40,481	40,481
Total Assets	2,565,392	548,390	3,204	55,950	108,342	14,757	104,580	3,400,615
Liabilities								
Deposits and placements of a bank	-	900,000	-	800,000	-	-	-	1,700,000
Financial liabilities at FVTPL	68,022	-	-	-	-	-	-	68,022
Trade payables and other liabilities	960,788	27,696	3,974	13,826	1,897	456	-	1,008,637
Total Liabilities	1,028,810	927,696	3,974	813,826	1,897	456	-	2,776,659
Net Gap	1,536,582	(379,306)	(770)	(757,876)	106,445	14,301	104,580	623,956

43. RISK MANAGEMENT (CONT'D.)

43.3 Liquidity Risk and Funding Management (Cont'd.)

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

Bank 2025	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	430,714	-	-	-	-	-	-	430,714
Financial investments at FVOCI	-	-	-	-	30,336	-	2,740	33,076
Financial investment at amortised cost	-	-	-	-	75,000	-	-	75,000
Loans and advances	604,947	13	17	8	143	-	-	605,128
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	10,189	-	10,189
Deferred tax assets	-	-	-	-	-	-	28,970	28,970
Investment in subsidiaries	-	-	-	-	-	-	51,054	51,054
Trade receivables and other assets	822,542	5,197	1,178	54,177	3,065	1,547	-	887,706
Property and equipment	-	-	-	-	-	-	15,175	15,175
Right-of-use assets	-	-	-	-	-	-	1,415	1,415
Intangible assets	-	-	-	-	-	-	4,198	4,198
Total Assets	1,858,203	5,210	1,195	54,185	108,544	11,736	103,552	2,142,625
Liabilities								
Deposits and placements of a bank	200,000	300,000	200,000	-	-	-	-	700,000
Derivative financial liabilities	1	-	-	-	-	-	-	1
Trade payables and other liabilities	801,050	6,266	6,423	25,404	2,026	232	-	841,401
Total Liabilities	1,001,051	306,266	206,423	25,404	2,026	232	-	1,541,402
Net Gap	857,152	(301,056)	(205,228)	28,781	106,518	11,504	103,552	601,223

43. RISK MANAGEMENT (CONT'D.)

43.3 Liquidity Risk and Funding Management (Cont'd.)

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

Bank 2024	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
Assets								
Cash and short-term funds	626,037	-	-	-	-	-	-	626,037
Deposits and placements with a bank	-	500,000	-	-	-	-	-	500,000
Financial investments at FVOCI	-	-	-	-	30,373	-	2,794	33,167
Financial investment at amortised cost	-	-	-	-	75,000	-	-	75,000
Loans and advances	877,172	-	-	45	252	68	-	877,537
Derivative financial assets	1,403	-	-	-	-	-	-	1,403
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	14,689	-	14,689
Deferred tax assets	-	-	-	-	-	-	40,830	40,830
Investment in subsidiaries	-	-	-	-	-	-	51,054	51,054
Trade receivables and other assets	964,694	18,819	3,204	55,905	2,050	-	-	1,044,672
Property and equipment	-	-	-	-	-	-	14,205	14,205
Right-of-use assets	-	-	-	-	-	-	2,087	2,087
Intangible assets	-	-	-	-	-	-	3,068	3,068
Total Assets	2,469,306	518,819	3,204	55,950	107,675	14,757	114,038	3,283,749
Liabilities								
Deposits and placements of a bank	-	900,000	-	800,000	-	-	-	1,700,000
Financial liabilities at FVTPL	68,022	-	-	-	-	-	-	68,022
Trade payables and other liabilities	950,653	8,101	3,974	13,826	1,897	456	-	978,907
Total Liabilities	1,018,675	908,101	3,974	813,826	1,897	456	-	2,746,929
Net Gap	1,450,631	(389,282)	(770)	(757,876)	105,778	14,301	114,038	536,820

43. RISK MANAGEMENT (CONT'D.)

43.3 Liquidity Risk and Funding Management (Cont'd.)

43.3.2 Analysis of Liabilities By Remaining Contractual Maturities on undiscounted basis

Group	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
2025								
Liabilities								
Deposits and placements of a bank	203,203	303,580	202,462	-	-	-	-	709,245
Derivative financial liabilities	1	-	-	-	-	-	-	1
Trade payables and other liabilities*	802,456	28,051	1,058	3,337	1,044	236	-	836,182
Total Undiscounted Liabilities	1,005,660	331,631	203,520	3,337	1,044	236	-	1,545,428
Commitments								
Irrevocable commitments to extend credit	198,438	75	-	250	-	-	-	198,763
Contingent liabilities								
Obligations under on-going underwriting agreement	13,862	-	-	-	-	-	-	13,862

Group	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
2024								
Liabilities								
Deposits and placements of a bank	-	935,150	-	831,245	-	-	-	1,766,395
Financial liabilities at FVTPL	68,022	-	-	-	-	-	-	68,022
Trade payables and other liabilities *	920,351	25,779	180	374	1,231	472	-	948,387
Total Undiscounted Liabilities	988,373	960,929	180	831,619	1,231	472	-	2,782,804
Commitments								
Irrevocable commitments to extend credit	206,725	645	-	4,340	-	-	-	211,710
Contingent liabilities								
Obligations under on-going underwriting agreement	10,373	-	-	-	-	-	-	10,373

*The balances had included the undiscounted contractual payments for lease liabilities and excluded non-financial liabilities. Detailed maturity analysis for lease commitment is disclosed in Note 21(c).

43. RISK MANAGEMENT (CONT'D.)

43.3 Liquidity Risk and Funding Management (Cont'd.)

43.3.2 Analysis of Liabilities By Remaining Contractual Maturities on undiscounted basis (Cont'd.)

Bank	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
2025								
Liabilities								
Deposits and placements of a bank	203,203	303,580	202,462	-	-	-	-	709,245
Derivative financial liabilities	1	-	-	-	-	-	-	1
Trade payables and other liabilities*	794,183	4,192	1,058	3,337	1,044	236	-	804,050
Net Undiscounted Liabilities	997,387	307,772	203,520	3,337	1,044	236	-	1,513,296
Commitments								
Irrevocable commitments to extend credit	198,438	75	-	250	-	-	-	198,763
Contingent liabilities								
Obligations under on-going underwriting agreement	13,862	-	-	-	-	-	-	13,862

Bank	Up to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	>1 to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
2024								
Liabilities								
Deposits and placements of a bank	-	935,150	-	831,245	-	-	-	1,766,395
Derivative financial liabilities	68,022	-	-	-	-	-	-	68,022
Trade payables and other liabilities*	910,216	6,184	180	374	1,231	472	-	918,657
Total Undiscounted Liabilities	978,238	941,334	180	831,619	1,231	472	-	2,753,074
Commitments								
Irrevocable commitments to extend credit	206,725	645	-	4,340	-	-	-	211,710
Contingent liabilities								
Obligations under on-going underwriting agreement	10,373	-	-	-	-	-	-	10,373

*The balances had included the undiscounted contractual payments for lease liabilities and excluded non-financial liabilities. Detailed maturity analysis for lease commitment is disclosed in Note 21(c).

43. RISK MANAGEMENT (CONT'D.)

43.4 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 (“TMR”) and Non-Traded Market Risk (“NTMR”). Assessment, control and monitoring of these risks are the responsibilities of IBMR.

Traded Market Risk ("TMR")

The TMR management process is depicted in the table below:

Identification	• Identify market risks within existing and new products. • Review market related information such as market trends and economic data.
Assessment/ Measurement	• Value-at-Risk ("VaR") • Loss Limits • Historical Stress Loss ("HSL") • Present Value of 1 Basis Point ("PV01") • Other Detailed Controls
Control/ Mitigation	• VaR Limits • Loss Limits/Triggers (Annual/Monthly/Daily) • HSL Limits • PV01 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 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.

43. RISK MANAGEMENT (CONT'D.)

43.4 MARKET RISK MANAGEMENT (CONT'D.)

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

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.PV01 Limits) and indicators are used to monitor changes in portfolio value due to changes in risk factors under different market conditions.

IBMR independently monitors risk exposures against limits on a daily basis. Portfolio market risk positions are independently monitored and reported by IBMR to GMRC, RMC and the Board. Furthermore, policies and procedures are in place to ensure prompt action is taken in the event of non-adherence to limits. Business Units exposed to traded market risk are required to maintain risk exposures within approved risk limits and to provide an explanation for any non-adherence events 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 in the banking book including those arising from balance sheet management activities as covered under the risk appetite.

Interest Rate Risk in the 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 controls • Periodical review and reporting

43. RISK MANAGEMENT (CONT'D.)

43.4 MARKET RISK MANAGEMENT (CONT'D.)

Non-Traded Market Risk ("NTMR") (Cont'd.)

Interest Rate Risk in the Banking Book ("IRRBB") (Cont'd.)

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 investment banking lending activities (primarily revolving credit facilities) creates interest rate-sensitive positions in the Group's and the Bank’s statements 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 the Group’s capital.

The Board’s oversight of IRRBB is supported by the 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 borrowings 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.

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 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.

43. RISK MANAGEMENT (CONT'D.)

43.4 MARKET RISK MANAGEMENT (CONT'D.)

Non-Traded Market Risk ("NTMR") (Cont'd.)

Interest Rate Risk in the Banking Book ("IRRBB") (Cont'd.)

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. These approaches are governed by 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 to a reasonable possible change in interest rate with all other variables remaining constant.

	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	5,697	(5,697)	8,248	(8,248)
Impact on equity	(791)	820	(786)	815

43. RISK MANAGEMENT (CONT'D.)

43.4 MARKET RISK MANAGEMENT (CONT'D.)

Market Risk Sensitivity (Cont'd.)

(ii) Foreign Exchange Risk

Foreign exchange risk arises from changes in foreign exchange rates to exposure on the Group's financial instruments denominated in currencies other than the functional currency of the transacting entity. Position limits are imposed to prevent the Group from being exposed to excessive foreign exchange risk.

The following table demonstrates the sensitivity of the Group's and the Bank's profit before taxation 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				
USD	1,222	(1,222)	1,196	(1,196)
SGD	105	(105)	106	(106)
AUD	69	(69)	42	(42)
EUR	3	(3)	3	(3)
GBP	1	(1)	1	(1)
Others	19	(19)	111	(111)
Bank				
USD	142	(142)	229	(229)
SGD	95	(95)	80	(80)
AUD	20	(20)	3	(3)
EUR	3	(3)	3	(3)
GBP	1	(1)	1	(1)
Others	(28)	28	58	(58)

43. RISK MANAGEMENT (CONT'D.)

43.4 MARKET RISK MANAGEMENT (CONT'D.)

Market Risk Sensitivity (Cont'd.)

(iii) Equity Price Risk

Equity price risk arises from the adverse movements in the price of equities. Equity price risk is controlled via position size, loss limits and VaR limits.

There is no impact to profit before taxation and equity for financial year ended 31 March 2025 and 31 March 2024 in respect of equity price risk.

43.5 OPERATIONAL RISK MANAGEMENT ("ORM")

The ORM process is depicted in the table below:

Identification	• Identify and analyse risks in key processes/activities within Business and Functional Lines (including new products) • Review of past operational losses and incidences data • Regulators' and Auditors' review and feedback
Assessment/ Measurement	• Risk and Control Self Assessment ("RCSA") • The inherent and residual risks are assessed based on the probability and impact of activity undertaken
Control/ Mitigation	Several ORM tools are used to mitigate the risks identified: • Incident Management and Data Collection ("IMDC") • Key Risk Indicators ("KRI") • Key Control Testing ("KCT") • Root cause analysis • Scenario Analysis • Insurance programme
Monitoring/ Review	• Monitoring and reporting of loss incidents by Event Type, Portfolio and Line of Business and entity, reporting of operational risk board and management triggers risk profile status, KRI breaches and KCT exceptions and operational risk framework adherence • Challenging the periodical review or updating the RCSA (risk profile)/KRIs/ KCTs of all Line of Business and Entity • Trigger by adverse change in circumstances (trigger event review) • Change management process review

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external incidents which includes but is not limited to legal risk, outsourcing risk, technology (including cyber) risk and fraud risk. It excludes strategic, systemic and reputational risk.

43. RISK MANAGEMENT (CONT'D.)

43.5 OPERATIONAL RISK MANAGEMENT ("ORM") (CONT'D.)

Operational Risk Appetite ("ORA") is set as part of overall GRAF, which sets the acceptable tolerance levels of operational risk that the Group is willing to accept, taking into consideration of the relevant financial and non-financial risk or return attributes in order to support the achievement of Group's strategic plan and business objectives. The ORA statements and measurements are classified based on operational risk loss event types, which are grouped into five (5) categories as below and monitored via IMDC, KRI and KCT:

- Fraud (internal and external);
- Employment Practices and Workplace Safety;
- Client, Products and Business Practices;
- Business Disruption, System Failures and Damage to Physical Assets; and
- Execution, Delivery and Process Management.

The strategy for managing operational risk in the Group is anchored on the three (3) lines of defence concept which are as follows:

- The first line of defence ("FLOD") is responsible for the management of operational risk to ensure that accountability and ownership to be as close as possible to the activity that creates the risk and ensuring that effective action is taken to manage them. Enhanced FLOD provides a business specific focus on the implementation of operational risk management activities and supports more effective day-to-day monitoring of operational risks.
- In the second line of defence, Group Operational Risk is responsible for exercising governance over operational risk through the management of the operational risk framework, policy development and communication, quality assurance of internal controls, operational risk measurement, validation of FLOD effectiveness, ORM training and reporting of operational risk triggers, breaches, KCT exceptions, operational loss incidents to GMRC, RMC and Board.
- Group Internal Audit Department acts as the third and final line of defence by providing independent assurance on the internal control effectiveness through periodic audit programme.

Group Operational Risk maintains close working relationships with all Business and Functional Lines, continually assisting in the identification of operational risks inherent in their respective business activities, assessing the impact and significance of these risks and ensuring that satisfactory risk mitigation measures and controls are in place. Various tools and methods are employed to identify, measure, control and monitor/report operational risk issues within the Group.

The ORM process contains the following ORM tools:

- The IMDC module provides a common platform for reporting operational risk incidents that fall within one of the seven Event Types as stated in Basel II. IMDC also serves as a centralised database of operational risk incidents to model the potential exposure to operational risks in future and estimate the amount of economic capital charge.
- The RCSA is a process of continual identification, assessment of risks and controls effectiveness. By using structured questionnaires to assess and measure key risk and its corresponding controls effectiveness, RCSA provides risk profiling across the Group.
- The KRI module provides early warning of increasing risk and/or control failures by monitoring the changes of the underlying risk measurements.

43. RISK MANAGEMENT (CONT'D.)

43.5 OPERATIONAL RISK MANAGEMENT ("ORM") (CONT'D.)

The ORM process contains the following ORM tools (Cont'd.):

- The KCT is the test steps or assessment performed periodically to assure that the key controls are in place and they are operating as intended or effective in managing the operational risks.
- Root cause analysis is conducted by the Operational Risk Relationship Managers within Group Operational Risk to prevent recurrence of operational risk incidents.
- Scenario analysis is a forward-looking assessment tool to assess the severity impact on the Bank's profitability and capital adequacy should the plausible and worse case scenarios materialise.

The GMRC, Risk Management Committee Director and Board are the main reporting and escalation committees for operational risk matters including outsourcing risk, IT (including cyber) risk, legal risk, fraud risk and business continuity management.

Business Continuity Management ("BCM")

The BCM process is depicted in the table below:

Identification	• Identify events that potentially threaten the business operations and areas of critically
Assessment/ Measurement	• Business Impact Analysis ("BIA") • Risk Assessment • Climate-related Operational Risk Assessment
Control/ Mitigation	• Policies governing the BCM implementation • BCM methodologies controlling the process flow • Implementing the Business Continuity ("BC") Plan
Monitoring/ Review	• BC Plan testing and exercise • Review of BC Plan • BC site readiness and maintenance

The BCM function is an integral part of ORM. It places the importance of maintaining a BCM framework and policies to identify events that could potentially threaten the Group's operations and the identification of critical functions through BIA exercise, for the development of recovery strategy. BCM builds the resilience and recovery capability to safeguard the interest of the Group's stakeholders by protecting our brand and reputation.

The BCM process complements the effort of the recovery team units to ensure that the Group has the required critical capabilities and resources, such as IT system disaster recovery, alternate workspace arrangements and effective communication during interruptions.

The Group is continuously reviewing the level of business operations resiliency to enhance the BCM capability throughout all critical departments and branches across the region. Training is an integral part of the process to heighten BCM awareness and inculcate a business resiliency culture.

43. RISK MANAGEMENT (CONT'D.)

43.5 OPERATIONAL RISK MANAGEMENT ("ORM") (CONT'D.)

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

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.

43.6 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 AMMB Group's IT infrastructure and cyber security capabilities are of paramount importance, especially with regards to safeguarding borrowers' information.

AMMB Group continues to monitor its cyber resilience posture to enhance its cyber security controls framework, execute internal assessment reviews, build defence mechanisms and uplift governance processes alongside AMMB Group's cyber risk management strategy - to identify threats in a timely manner, and build or enhance the right defences to mitigate risks. Creating a security mindset for employees and borrowers via its cyber security awareness programs also remains a priority.

AMMB 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. AMMB Group's technology risk management capabilities include oversight over infrastructure security risk, data leakage risk, application security risk and third party security risk, governance and process robustness.

AMMB 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.

43.7 LEGAL RISK

In all the jurisdictions that AMMB Group conducts its business, there could be potential legal risks arising from potential breaches of applicable laws, unenforceability of contracts, lawsuits, adverse judgement, failure to respond to changes in regulatory requirements and failure to protect assets (including intellectual properties) owned by AMMB Group which may lead to incurrence of losses, disruption or otherwise impact on AMMB Group's financials or reputation.

Legal risk is overseen by AMMB GMRC/Group Management Committee, upon advice by internal legal counsel and, where necessary, in consultation with external legal counsel to ensure that such risk is appropriately managed.

43. RISK MANAGEMENT (CONT'D.)

43.8 REGULATORY COMPLIANCE RISK

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

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 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. AMMB 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 risk as well as sensitive towards heightened regulatory surveillance and enforcement.

44. FAIR VALUES 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 value are estimated based on a number of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the assumptions could materially affect these estimates and the corresponding fair values.

In addition, fair value information for non-financial assets and liabilities such as investments in subsidiaries and other investment 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.

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

Group and Bank

	2025		2024	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial Asset				
Financial investment at amortised cost	75,000	76,234	75,000	76,613

44. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

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

	Group				Bank			
2025	**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**
Financial assets measured at fair value								
Financial investments at FVOCI								
- Money market securities	-	30,336	-	30,336	-	30,336	-	30,336
- Unquoted shares	-	-	2,740	2,740	-	-	2,740	2,740
	-	30,336	2,740	33,076	-	30,336	2,740	33,076
Financial assets for which fair value is disclosed								
Financial investment at amortised cost								
- Unquoted corporate bond	-	76,234	-	76,234	-	76,234	-	76,234
Financial liabilities measured at fair value								
Derivative financial liabilities	-	1	-	1	-	1	-	1

	Group				Bank			
2024	**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**
Financial assets measured at fair value								
Financial investments at FVOCI								
- Money market securities	-	30,373	-	30,373	-	30,373	-	30,373
- Unquoted shares	-	-	2,794	2,794	-	-	2,794	2,794
Derivative financial assets	1,402	1	-	1,403	1,402	1	-	1,403
	1,402	30,374	2,794	34,570	1,402	30,374	2,794	34,570
Financial assets for which fair value is disclosed								
Financial investment at amortised cost								
- Unquoted corporate bond	-	76,613	-	76,613	-	76,613	-	76,613
Financial liabilities measured at fair value								
Financial liabilities at FVTPL	68,022	-	-	68,022	68,022	-	-	68,022

44. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

44.3 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 investment 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 values. 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).

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes, investments in private equity funds with fair values obtained via fund managers and assets that are valued using AMMB Group’s own models whereby the majority of assumptions are market observable.

Non market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group or the 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 investments at FVOCI are revalued using adjusted net assets method.

About 8.3% (31 March 2024: 8.1%) of the Group's and 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.

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

44. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONT'D.)

44.4 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 period. The following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value:

	Equity instruments at FVOCI	
	2025	**2024**
Group and Bank	**RM'000**	**RM'000**
Balance at the beginning of financial year	2,794	2,986
Total loss recognised in OCI	(54)	(192)
Balance at end of the financial year	2,740	2,794

There was no transfer between Level 2 and Level 3 during the current and previous financial year for the Group and the Bank.

Total gains or losses included in the statement of comprehensive income for financial instruments held at the end of the reporting year:

	2025	**2024**
Group and Bank	**RM'000**	**RM'000**
Financial investments at FVOCI		
Total loss included in fair value reserve	54	192

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.

45. 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 segment and to assess its performance.

The Group comprises the following main business segments:

(a) Investment Banking

The Investment Banking division of the Group, offers a full range of investment banking solutions and services, encompassing the following business segments:

(i) Equity Markets – provides clients an investment avenue to participate in the equity markets through its multiple distribution channels, including remisiers, Bank Branch Broking, salaried dealers, and the internet trading platform, offering clients the flexibility to trade equities, futures and equity derivatives both online and offline;

(ii) Fund Management – comprises the asset and fund management services, offering a variety of investment solutions for various assets classes to retail, corporate and institutional clients;

(iii) Private Banking – manages the private wealth of high net worth individuals, family groups and companies by offering comprehensive wealth management solutions and integrated access to expertise and resources of AMMB Group;

(iv) Corporate Finance – provides an extensive range of corporate finance and advisory services which include mergers and acquisitions, divestitures, take-overs, initial public offerings, restructuring, privatisations, issuance of equity and equity-linked instruments as well as valuation support;

(v) Capital Markets – provides debt financing solutions to clients through a wide array of products which include conventional corporate bonds and Islamic sukuk, loan syndication, capital and project advisory as well as structured finance and securitisation deals; and

(vi) Others – other Investment Banking supporting function within the Group.

(b) Others

The Others mainly comprises activities to maintain the liquidity of the Group as well as support operations of its main business units and non-core operations of the Group.

Measurements of Segment Performance

The segment performance is measured on income, expenses and profit basis. These are shown after allocation of certain centralised cost, funding income and expenses directly associated with each segment. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation under Others.

Operating revenue

Operating revenue of the Group comprises all type of revenue derived from the business segment but after elimination of all related companies transactions.

Major customer

No revenue from one single customer amounted to greater than 10% of the Group's revenue for the current and previous financial years.

Notes:

(i) The revenue generated by a majority of the operating segments substantially comprise fees income. The Chief Operating Decision Maker relies primarily on the net fees 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 for 31 March 2024 have been restated to conform with current business realignment between the business segment.

45. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group 2025	Investment Banking: Equity Markets RM'000	Investment Banking: Fund Management RM'000	Investment Banking: Private Banking RM'000	Investment Banking: Corporate Finance RM'000	Investment Banking: Capital Markets RM'000	Investment Banking: Others RM'000	Others RM'000	Total RM'000
External net income	127,441	161,875	38,329	24,106	34,619	299	(16,056)	370,613
Intersegments net income	(36,819)	-	(128)	(114)	343	112	36,606	-
Net income	90,622	161,875	38,201	23,992	34,962	411	20,550	370,613
Net interest income	24,609	1,490	39	(114)	343	112	14,355	40,834
Other operating income (net of direct costs)	66,013	160,385	38,162	24,106	34,619	299	6,195	329,779
Net income	90,622	161,875	38,201	23,992	34,962	411	20,550	370,613
Other operating expenses	(61,858)	(78,684)	(30,586)	(18,491)	(18,320)	(33,454)	(5,034)	(246,427)
of which:								
Depreciation of property and equipment	(512)	(151)	(134)	(52)	(27)	(51)	(773)	(1,700)
Depreciation of right-of-use assets	-	-	-	-	-	-	(672)	(672)
Amortisation of intangible assets	(176)	(321)	(6)	(252)	(1)	(8)	(42)	(806)
Profit/(Loss) before impairment losses	28,764	83,191	7,615	5,501	16,642	(33,043)	15,516	124,186
Writeback of/(Allowances for) impairment on								
Loans and advances, net	2,549	-	-	-	-	-	(1)	2,548
Other financial assets	2,478	5	-	490	25	-	-	2,998
Other non-financial assets	-	-	-	-	-	-	349	349
Writeback of provision for commitments and contingencies	-	-	-	-	-	-	26	26
Profit/(Loss) before taxation	33,791	83,196	7,615	5,991	16,667	(33,043)	15,890	130,107
Taxation	(8,110)	(16,023)	(1,828)	(1,438)	(4,000)	7,930	(4,492)	(27,961)
Profit/(Loss) for the financial year	25,681	67,173	5,787	4,553	12,667	(25,113)	11,398	102,146
Other information:								
Total segment assets	1,577,579	144,025	4,238	6,172	6,878	382	527,858	2,267,132
Total segment liabilities	786,713	38,487	4,596	3,525	5,587	6,478	728,147	1,573,533
Cost-to-income ratio	68.3%	48.6%	80.1%	77.1%	52.4%	>100%	24.5%	66.5%
Gross loans and advances	612,337	-	1,751	-	-	-	210	614,298
Net loans and advances	603,168	-	1,751	-	-	-	209	605,128
Impaired loans and advances	19,872	-	-	-	-	-	17	19,889
Total deposits and placements	-	-	-	-	-	-	700,000	700,000
Additions to:								
Property and equipment	2,197	277	70	6	42	26	177	2,795
Intangible assets	1,124	817	29	-	-	105	8	2,083

45. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group 2024 (restated)	Investment Banking Equity Markets RM'000	Investment Banking Fund Management RM'000	Investment Banking Private Banking RM'000	Investment Banking Corporate Finance RM'000	Investment Banking Capital Markets RM'000	Investment Banking Others RM'000	Others RM'000	Total RM'000
External net income	115,614	157,054	31,171	34,344	36,706	196	(19,109)	355,976
Intersegments net income	(39,507)	-	(199)	(97)	210	111	39,482	-
Net income	76,107	157,054	30,972	34,247	36,916	307	20,373	355,976
Net interest income	19,980	1,661	65	(97)	210	111	9,213	31,143
Other operating income (net of direct costs)	56,127	155,393	30,907	34,344	36,706	196	11,160	324,833
Net income	76,107	157,054	30,972	34,247	36,916	307	20,373	355,976
Other operating expenses	(54,738)	(75,855)	(27,960)	(19,134)	(14,763)	(27,053)	(1,804)	(221,307)
of which:								
Depreciation of property and equipment	(566)	(149)	(122)	(50)	(25)	(52)	(910)	(1,874)
Depreciation of right-of-use assets	-	-	-	-	-	-	(672)	(672)
Amortisation of intangible assets	(278)	(346)	(32)	(495)	(2)	143	(62)	(1,072)
Profit/(Loss) before impairment losses	21,369	81,199	3,012	15,113	22,153	(26,746)	18,569	134,669
(Allowances for)/Writeback of impairment on								
Loans and advances, net	(11,375)	-	-	-	-	-	17	(11,358)
Other financial assets	(9,311)	6	-	(737)	(636)	-	-	(10,678)
Other non-financial assets	-	(129)	-	-	-	-	(1,057)	(1,186)
Writeback of provision for commitments and contingencies	-	-	-	-	-	-	27	27
Other recoveries	2	-	-	-	-	-	-	2
Profit/(Loss) before taxation	685	81,076	3,012	14,376	21,517	(26,746)	17,556	111,476
Taxation	(164)	(18,794)	(723)	(3,450)	(5,164)	6,419	51,402	29,526
Profit/(Loss) for the financial year	521	62,282	2,289	10,926	16,353	(20,327)	68,958	141,002
Other information:								
Total segment assets	1,927,301	135,381	9,089	9,239	3,844	424	1,315,337	3,400,615
Total segment liabilities	973,577	35,196	3,197	4,858	4,301	4,074	1,751,456	2,776,659
Cost-to-income ratio	71.9%	48.3%	90.3%	55.9%	40.0%	>100%	8.9%	62.2%
Gross loans and advances	883,186	-	5,703	-	-	-	366	889,255
Net loans and advances	871,469	-	5,703	-	-	-	365	877,537
Impaired loans and advances	25,348	-	-	-	-	-	-	25,348
Total deposits and placements	-	-	-	-	-	-	1,700,000	1,700,000
Additions to:								
Property and equipment	477	145	345	26	14	72	150	1,229
Intangible assets	1,276	143	2	-	4	165	9	1,599

46. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements excluding financial assets not subject to offset and that are only subject to collateral arrangements (e.g. loans and advances) are as follows:-

Group	Gross amount of recognised financial assets/ liabilities RM'000	Gross amount offset in financial assets/ liabilities RM'000	Net amount of financial assets/ liabilities 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
31 March 2025						
Trade receivables and other financial assets	906,142	(46,386)	859,756	40,548	(13,740)	886,564
Trade payables and other financial liabilities	882,432	(46,386)	836,046	-	-	836,046
31 March 2024						
Trade receivables and other financial assets	1,047,276	(36,147)	1,011,129	(52,000)	(13,873)	945,256
Trade payables and other financial liabilities	984,337	(36,147)	948,190	-	-	948,190

Bank						
31 March 2025						
Trade receivables and other financial assets	876,950	(46,386)	830,564	40,548	(13,740)	857,372
Trade payables and other financial liabilities	850,300	(46,386)	803,914	-	-	803,914
31 March 2024						
Trade receivables and other financial assets	1,020,829	(36,147)	984,682	(52,000)	(13,873)	918,809
Trade payables and other financial liabilities	954,607	(36,147)	918,460	-	-	918,460

47. SIGNIFICANT SUBSEQUENT EVENT

The US tariffs were announced in April 2025, subsequent to the Group’s and the Bank’s financial year end. The tariffs uncertainty and potential earnings pressure on export-oriented corporates will influence corporate financing decisions, transaction volumes and dampened market sentiment which may in turn impact deal activity and overall capital markets revenue stream. As at the date of report, the AUM remains stable. The Group will continue to monitor these developments closely and take appropriate measures to mitigate any potential adverse effects on its business.