

18 August 2025

**AmBank Group delivers RM516 million in PATMI for Q1FY26,
driven by good revenue growth and NIM improvement**

AMMB Holdings Berhad (AMMB, AmBank Group or the Group) announced its results for the financial quarter ended 30 June 2025 (Q1FY26).

Summary of Q1FY26 Results¹

- Net income grew 9.5% YoY to RM1,290.7 million, driven by higher Net Interest Income (NII) on the back of strong Net Interest Margin (NIM) expansion and higher Non-Interest Income (NII)
- NII grew 7.4% YoY to RM924.7 million, lifted by a 12-basis point (bps) expansion in NIM to 2.01%. NII grew 15.2% YoY to RM366.0 million, driven by higher trading gains in Group Treasury and Markets (GTM) as well as higher fees earned in Business Banking and Wholesale Banking. However, Investment Banking and Wealth Management segments faced challenges amidst cautious investor sentiment, resulting in lower fee income
- Expenses increased 8.3% YoY to RM563.9 million, driven by higher personnel cost. Cost-to-Income (CTI) ratio of 43.7% compared to Q1FY25 of 44.2%
- Profit Before Provisions (PBP) of RM726.8 million was 10.5% higher YoY, driven by positive operating leverage
- Net impairment charges were higher at RM72.4 million, mainly attributable to higher Stage 3 provisions and lower writeback of forward-looking provision YoY
- Profit Before Taxation (PBT) increased 1.4% YoY to RM654.4 million
- Profit After Taxation and Minority Interests (PATMI) improved 3.2% YoY to RM516.2 million
- Annualised Return on Equity (ROE) at 10.0% while Return on Assets (ROA) improved to 1.05%
- Basic Earnings Per Share (EPS) grew 3.4% YoY to 15.64 sen per share and Net Assets per Share (NA) at RM6.23 (FY25: RM6.24)
- Gross loans, advances and financing fell a marginal 0.5% YTD to RM138.2 billion
- Gross impaired loans (GIL) ratio was higher at 1.71%, with loan loss coverage (LLC) ratio (including Regulatory Reserves) of 100.1%

¹ All growth percentages are computed on a year-on-year (YoY) Q1FY26 vs Q1FY25 basis unless otherwise stated. Quarter-on-quarter (QoQ) refers to Q1FY26 vs Q4FY25. Year-to-date (YTD) refers to Q1FY26 vs FY25.

- Customer deposits fell 2.5% YTD to RM138.0 billion. Time deposits grew 0.6% YTD to RM91.1 billion. Current account and savings account (CASA) balances fell 8.1% YTD to RM46.9 billion, giving a CASA mix of 34.0%
- Liquidity is healthy and ample as Liquidity coverage ratio (LCR) for all entities were above 160%
- The Group's Common Equity Tier 1 (CET1) capital ratio stood at 14.90%, with Total Capital Ratio (TCR) at 17.68%. Including Q1FY26 unaudited profits, CET1 strengthened to 15.32%, while TCR increased to 18.10%

AmBank Group Chief Executive Officer, Mr Jamie Ling commented, "We delivered a good set of results in Q1FY26. There was good income growth supported by strong NIM improvement. Capital position strengthened further and liquidity remains ample. Overall, a satisfactory first quarter performance, delivered in more volatile market conditions."

Financial Highlights

The Group recorded a 9.5% YoY growth in net income of RM1,290.7 million (Q1FY25: RM1,178.5 million), contributed by improvements in both NII and Noll. NII grew 7.4% YoY to RM924.7 million (Q1FY25: RM860.9 million), on the back of a 12-bps NIM expansion to 2.01% (Q1FY25: 1.89%). Loans and financing grew 4.2% YoY, with Business Banking and Wholesale Banking loans growth of 12.2% and 10.0% YoY respectively.

Noll was 15.2% higher YoY to RM366.0 million (Q1FY25: RM317.6 million) largely driven by higher trading gains in securities from GTM as well as higher fee income from Corporate Banking and Business Banking, partially offset a decline in fee income from Investment Banking and Wealth Management.

Overall expenses increased 8.3% YoY to RM563.9 million mainly due to higher personnel costs. However, good income growth resulted in CTI improving to 43.7% (Q1FY25: 44.2%). Accordingly, PBP grew 10.5% YoY to RM726.8 million (Q1FY25: RM657.9 million).

Net impairment charges were higher at RM72.4 million (Q1FY25: RM12.3 million), due to higher Stage 3 provision from Business Banking and lower forward-looking writeback YoY.

The Group's PATMI improved 3.2% YoY to RM516.2 million (Q1FY25: RM500.2 million), achieving an annualised ROE of 10.0% (Q1FY25: 10.2%) while ROA improved to 1.05% (Q1FY25: 1.02%).

GIL ratio was higher at 1.71% (FY25: 1.54%) with a LLC (including Regulatory Reserves) of 100.1% (FY25: 103.6%).

Total gross loans, advances and financing fell a marginal 0.5% YTD to RM138.2 billion (FY25: RM138.9 billion) mainly due to repayment of Wholesale Banking loans (-RM1.2 billion or -5.7% YTD), partly cushioned by loans growth in Business Banking (+RM0.6 billion or +1.2% YTD). Loans in Retail Banking remained flat YTD.

Total customer deposits fell 2.5% YTD to RM138.0 billion (FY25: RM141.5 billion). Time deposits grew 0.6% YTD to RM91.1 billion (FY25: RM90.5 billion) while CASA decreased 8.1% YTD to RM46.9 billion (FY25: RM51.0 billion), CASA mix of 34.0% (FY25: 36.0%).

The Group's CET1 remained solid at 14.90% (FY25: 14.82%), with TCR at 17.68% (FY25: 17.49%). If Q1FY26 unaudited profits were included, CET1 would be at 15.32% and TCR at 18.10%.

Divisional performance (Q1FY26 vs Q1FY25)

Retail Banking – PAT of RM11.6 million (Q1FY25: PAT of RM46.6 million)

Profit After Taxation (PAT) declined to RM11.6 million mainly due to lower income coupled with higher operating expenses and higher net impairment charge.

Income fell 7.1% YoY to RM339.0 million (Q1FY25: RM364.9 million) due to a 3.3% YoY decline in NII from margin compression in mortgage and auto financing, along with a 26.9% YoY decline in Noll mainly from Retail Wealth Management. Operating expenses increased by 4.7% YoY to RM256.8 million (Q1FY25: RM245.4 million) while net impairment charge of RM67.2 million (Q1FY25: RM58.4 million) increased 15.1% YoY due to higher forward-looking provision.

Gross loans, advances and financing fell 1.8% YoY to RM67.3 billion due to decline in auto financing partially offset by growth in mortgages, cards and personal financing. Total deposits increased 4.8% YoY to RM56.8 billion.

Business Banking – PAT of RM196.6 million (Q1FY25: PAT of RM236.3 million)

PAT fell by 16.8% YoY to RM196.6 million mainly due to higher operating expenses and higher net impairment charges.

Income grew 3.4% YoY to RM442.6 million (Q1FY25: RM428.1 million) driven by a 3.1% increase in NII from strong loans growth, as well as a 4.2% growth in Noll from higher fee income and foreign exchange income. Operating expenses increased 9.2% YoY to RM147.7 million (Q1FY25: RM135.3 million). A net impairment charge of RM36.4 million was recorded (Q1FY25: impairment writeback of RM16.3 million) due to higher ECL Stage 3 provisions.

Gross loans, advances and financing increased 12.2% YoY to RM49.3 billion, while total deposits declined 6.2% YoY to RM37.1 billion.

Wholesale Banking – PAT of RM270.6 million (Q1FY25: PAT of RM162.8 million)

PAT grew 66.2% YoY to RM270.6 million mainly driven by higher income and net impairment writeback.

Income grew 53.7% YoY to RM413.3 million (Q1FY25: RM269.0 million) driven by effective liability management efforts, higher YoY loans growth and higher Noll of RM111.8 million (Q1FY25: RM37.2 million) from trading gain of securities. Operating expenses increased 7.8% YoY to RM92.0 million (Q1FY25: RM85.3 million). Net impairment writeback was higher at RM30.7 million (Q1FY25: RM26.8 million) due to higher recoveries.

Gross loans, advances and financing increased 10.0% YoY to RM19.8 billion, while total deposits increased by 3.7% YoY to RM49.9 billion.

- ***Corporate and Transaction Banking – PAT of RM80.3 million (Q1FY25: PAT of RM79.3 million)***

PAT increased by 1.2% YoY to RM80.3 million mainly attributable to higher income, partially offset by higher operating expenses and lower writeback of net impairment.

Income increased 6.8% YoY to RM138.1 million (Q1FY25: RM129.3 million), mainly driven by a YoY growth of 4.1% and 22.5% in NII and Noll respectively from higher YoY loans growth and fee income. Operating expenses increased 14.9% YoY to RM56.8 million (Q1FY25: RM49.4 million). Net impairment writeback was lower at RM23.2 million (Q1FY25: RM24.5 million) due to lower forward-looking writeback.

Gross loans, advances and financing increased 10.0% YoY to RM19.8 billion, while total deposits increased 19.5% YoY to RM13.7 billion.

- **Group Treasury and Markets – PAT of RM190.3 million (Q1FY25: PAT of RM83.5 million)**

PAT was higher at RM190.3 million (Q1FY25: RM83.5 million) mainly due to higher income and higher impairment writeback on financial investments.

Income increased 97.0% YoY to RM275.2 million, primarily due to effective liability management efforts and higher Noll of RM88.1 million (Q1FY25: RM17.8 million) from trading gain of securities.

Investment Banking and Funds Management – PAT of RM19.7 million (Q1FY25: PAT of RM37.1 million)

PAT declined by 46.9% YoY to RM19.7 million mainly attributable to lower income and higher operating expenses, coupled with lower writeback of net impairment.

Income fell 15.1% YoY to RM84.8 million (Q1FY25: RM99.9 million) attributable to lower fee income from Corporate Finance, Equity Capital Markets, Private Banking as well as Stockbroking and Futures. Operating expenses rose 5.4% YoY to RM60.7 million (Q1FY25: RM57.6 million). Writeback of net impairment was lower at RM0.9 million (Q1FY25: RM2.6 million). Funds Management delivered a PAT of RM16.6 million (Q1FY25: RM19.0 million). Average AUM (including Private Banking) grew 2.3% YoY to RM63.6 billion (Q1FY25: RM62.2 billion).

Islamic Banking – PATZ of RM135.5 million (Q1FY25: PATZ of RM137.6 million)

Profit After Taxation and Zakat (PATZ) fell 1.5% YoY to RM135.5 million. Total income expanded 15.1% YoY to RM343.5 million (Q1FY25: RM298.3 million) mainly attributable to a 11.1% YoY growth in Net Financing Income to RM300.9 million. Operating expenses increased 9.4% YoY to RM135.0 million (Q1FY25: RM123.4 million) while net impairment charge was higher at RM31.7 million (Q1FY25: impairment writeback of RM5.4 million) due to higher ECL and forward-looking provisions.

Insurance – PAT of RM32.4 million (Q1FY25: PAT of RM29.4 million)

PAT up 10.3% to RM32.4 million primarily driven by higher investment income and higher net earned premiums, partially offset by higher claims. The results of the Group's life insurance, family takaful and general insurance businesses were equity accounted to reflect the Group's effective equity interests in the respective joint ventures and associate.

Others – Loss After Taxation (LAT) of RM14.9 million (Q1FY25: LAT of RM12.1 million)

This segment comprises support functions for the Group's main business units and non-core operations. Higher LAT mainly due to lower income and higher operating expenses.

Outlook for FY26

Mr Jamie Ling concluded, *"We are managing through a period of turbulence and achieved a good start to our new financial year. The OPR reduction will have some impact on NIM in the near term. As our economy adjusts to the 19% tariff imposed on most Malaysian exports to the US, we are confident that economic growth will remain resilient."*

<p>For investor and analyst enquiries, please contact: Yeoh Ru Hann Head, Investor Relations – Group Finance Email: ru-hann.yeoh@ambankgroup.com / ir@ambankgroup.com</p>	<p>For media enquiries, please contact: Shazman Shahid Head, Group Corporate Communications & Marketing Email: shazman-shahid@ambankgroup.com</p>
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