

A m I N V E S T M E N T B A N K B E R H A D

Registration No. 197501002220 (23742-V)

(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements

31 March 2026

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

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**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 2026.

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	<u>93,043</u>	<u>90,615</u>

OUTLOOK FOR NEXT FINANCIAL YEAR

Quarter 1 ("Q1") of Calendar Year ("CY") 2026 Gross Domestic Product ("GDP") off to a solid start, but early-war related headwinds emerge

The global economy entered 2026 on a solid footing, with both the United States ("US") and China recording faster GDP growth in Q1CY2026. However, a closer look at the composition of growth points to uneven underlying momentum, suggesting mounting downside risks to the global outlook ahead, particularly if the conflict in Middle East proves more prolonged. Meanwhile, the Eurozone's flash GDP estimate indicated a moderation in growth, partly dragged down by an outlier contraction in Ireland.

In the US, strong Q1CY2026 growth was primarily driven by a sharp rebound in government spending, following last year's mass federal layoffs, and by robust domestic investment, supported by infrastructure projects and Artificial Intelligence ("AI")-related spending. These helped offset weaker consumer spending as higher energy prices – fuelled by ongoing geopolitical tensions – eroded households' purchasing power. Likewise, China's above-expectations GDP growth masked persistent consumer weakness. While industrial production and exports remained resilient, retail sales growth continued to underperform, reflecting subdued consumer confidence amid heightened uncertainty and an ongoing property sector downturn.

DIRECTORS' REPORT (CONT'D.)

OUTLOOK FOR NEXT FINANCIAL YEAR (CONT'D.)

Rising tensions in Middle East shock energy markets, weaken Purchasing Managers' Index ("PMI") and push global services into contraction

The US-Israel-Iran war triggered one of the largest supply disruptions in the history of global energy markets, with risks of prolonged conflict or even an escalation remains a possibility. Latest PMI surveys reinforced these concerns, revealing a deterioration in business confidence. Notably, the global services sector recorded its first contraction in more than 3 years. Against this backdrop of heightened geopolitical and mounting macroeconomic risks, a joint statement by the International Energy Agency ("IEA"), the International Monetary Fund ("IMF") and the World Bank announced the establishment of a coordination group to strengthen their response, including targeted policy advice and related financial support.

Central banks maintain policy rates while signalling future tightening

Rising inflation risks have prompted the financial markets to reassess the global monetary policy path. Both the European Central Bank ("ECB") and the Bank of England ("BOE") held interest rates steady at 2.0% and 3.75%, respectively, but investors seemed to read the same signal coming from both central banks – hikes are coming later this year. The ECB's decision to hold rates belies a more hawkish shift in its messaging, while the BOE went a step further by warning that UK inflation could rise to 6% should the Middle East conflict persist. Meanwhile, the US Federal Reserve ("Fed") held rates steady for a third straight meeting, with an 8 to 4 vote marking its most divided decision since 1992. The central bank is unlikely to cut rates for the remainder of the year in its latest policy meeting.

Bank of Japan ("BOJ") holds rates steady amid balanced risks and inflation concerns

Meanwhile, in Japan, the IMF has advised the BOJ to continue normalising rates despite rising economic risks, noting that the overall balance of risks remains broadly even. In contrast, steady wage growth should continue to support consumption. Although three of the BOJ's nine policy board members advocated for an interest rate hike at the April meeting, reflecting rising concerns over inflationary pressures linked to the Middle East conflict, Governor Kazuo Ueda said the central bank opted to keep policy unchanged for now to allow more time to assess the conflict's economic impact. Nonetheless, he emphasised that the BOJ remains prepared to raise rates should inflationary risks materialise or intensify significantly.

Q1CY2026 GDP is likely to be the best-performing quarter of the year

Malaysia's economy grew by 5.4% YoY in Q1CY2026, in line with our forecast, following a 6.2% expansion in the previous quarter. Additionally, growth above 5.0% in Q1CY2026 was consistent with our expectations and had already been incorporated into our full-year growth forecast of 4.5%. Looking ahead, however, we expect growth to moderate amid heightened global uncertainties. The impact of the war in Middle East will likely manifest as a lagged, supply-side shock. As such, we opine that the economy will see material effects only emerging from second half of CY2026. There is currently no immediate recession risk. Unlike past crises, the current environment remains relatively resilient despite the global oil supply crunch. The key uncertainty remains on the durability of consumption demand if global oil prices remain elevated for longer as well as the effects of disrupted supply chains feeding through to higher cost of production across key industrial and manufacturing sectors.

DIRECTORS' REPORT (CONT'D.)

BUSINESS PLAN AND STRATEGY

The Group registered a profit before taxation ("PBT") of RM120.6 million (FY2025: RM130.1 million). The Group's net income declined by 5.8% to RM349.0 million (FY2025: RM370.6 million) mainly due to less sizeable deals during the year, coupled with lower Bursa trading volume. Total brokerage fees and commission, corporate advisory and wealth management fees decreased by RM26.7 million coupled with higher direct costs of RM10.3 million, partially offset by higher unit trust service charges, unit trust management fees, arrangement and upfront fees and underwriting commission of RM29.6 million. The decrease was also contributed by lower net interest income of RM10.6 million.

Total expenses decreased by RM19.5 million or 7.9%, primarily attributable to lower personnel expenses of RM21.5 million and administration and general expenses of RM2.2 million, partially offset by higher establishment cost of RM3.9 million and net service transfer pricing ("STP") of RM1.4 million. The Group's profit after taxation ("PAT") registered at RM93.0 million (FY2025: RM102.1 million).

The Group's Common Equity Tier 1 ("CET1") capital ratio and Tier 1 capital ratio (after proposed dividend) improved to 43.21% (FY2025: 40.23%) and 43.90% (FY2025: 39.36%) respectively, while Total Capital Ratio improved to 43.81% (FY2025: 40.87%) and 44.59% (FY2025: 40.09%) respectively.

The Group remains focused on deepening collaboration across Wholesale and Business Banking segments to support the growth of identified client groups. Through a coordinated coverage approach, the Group seeks to originate investment banking opportunities across debt or equity capital markets, advisory and other fee-based activities, contributing to the Group's non-interest income and Return on Equity ("ROE"). Concurrently, the Group continues to deliver integrated financial solutions to its key clients, leveraging the Group's capabilities to support their capital raising and broader strategic requirements.

In the stockbroking segment, the Group will focus on expanding product offerings, deepening client relationships and enhancing digital capabilities which includes enhancing its AmEquities trading platform to include foreign trading capabilities, enabling clients to access a broader range of international markets. In fund management segment, the Group targets to increase market penetration via more product offerings to accommodate a wider range of investment solutions. This includes extension to new themes, markets and underlying asset classes. The Group also continue to drive organic growth via direct sales channel to enhance client engagement.

Global economic conditions remain highly uncertain with escalating geopolitical tensions in the middle east significantly impacting global energy markets and investor sentiment. Disruptions to key energy supply routes have led to heightened volatility in oil and gas prices, contributing to inflationary pressures and a more cautious global growth outlook. This resulting increase in input costs, coupled with ongoing trade frictions and softer economic momentum across major economies, has led corporates and investors to adopt a more cautious and selective approach towards capital market activities. This has affected the pace of deal origination and execution across markets. While Malaysia's economic fundamentals remain relatively resilient, the domestic capital markets are expected operate within a more challenging and volatile environment, with growth prospects tempered by external headwinds and cautious investor sentiment. Notwithstanding these challenges, the Group remains focused on strengthening its presence in the Malaysian financial capital markets and aims to enhance origination productivity through targeted sector coverage, proactive client engagement and disciplined pipeline execution to support sustainable earnings.

Equity market activities demonstrated periods of recovery during the financial year, supported by selective capital redeployment by investors. However, overall trading momentum remains sensitive to global macroeconomic developments which continue to influence risk appetite and investment flows. To strengthen its competitive positioning, the Group has enhanced its AmEquities trading platform to include foreign trading capabilities, enabling clients to access a broader range of international markets. Ongoing initiatives remain focused on enhancing digital capabilities, expanding product offerings and deepening client relationships, which are expected to contribute to a more resilient and sustainable income base over time.

Mindful that tariff-driven trade tensions, sustained heightened geopolitical tensions in the Middle East and ongoing fuel price volatility will continue to impact all economies including the Malaysian economy, AMMB Group remains vigilant while actively managing risks, preserving balance sheet strength and remaining responsive to evolving external conditions.

At the same time, AMMB Group will leverage on the strong foundation built in the first two years of Winning Together ("WT29") to further enhance operational resilience through its three core strategy pillars: Digitalisation, Operational Excellence and Sustainability. AMMB Group remains firmly committed to the objectives of WT29 and to the continuous enhancement of shareholder value.

DIRECTORS' REPORT (CONT'D.)

SIGNIFICANT EVENTS

- (a) Following the establishment of Group Wealth Management (formerly known as Integrated Wealth Management) on 1 April 2025, the AMMB Holdings Berhad ("AMMB") undertook a strategic initiative to consolidate its Private Banking business. On 30 October 2025, the Bank entered into a business transfer agreement with a related company, AmBank (M) Berhad ("AmBank") to transfer the assets, liabilities, activities, business and undertakings of its Private Banking business to AmBank. The business transfer was completed on 14 January 2026 and the Bank transferred net liabilities of RM3.7 million to AmBank.
- (b) The Middle East Conflict that began on 28 February 2026 and caused the closure of the Strait of Hormuz, has significantly disrupted many business operations around the world. In assessing the potential credit implications of the conflict, specific customers' information and situations with particular focus on exposures to and from Middle East, industry and sectoral developments and trends, forward-looking economic information and a range of external market views were considered, with judgement applied considering the evolving facts and circumstances. The results of the assessment and these considerations have been reflected and incorporated in the expected credit loss ("ECL") allowances as at 31 March 2026.

SUBSEQUENT EVENT

There were no material events subsequent to the reporting date that required disclosure or adjustment to the financial statements.

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 dividend of 7.4 sen per share on 314,035,088 ordinary shares on 28 October 2025 amounted to RM23,238,597 which was paid on 23 December 2025.

The Directors proposed the payment of final single-tier dividend of 21.4 sen per share on 314,035,088 ordinary shares amounting to approximately RM67,203,509 in respect of the current financial year ended 31 March 2026. 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 2027.

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.

DIRECTORS' REPORT (CONT'D.)

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.

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.

DIRECTORS' REPORT (CONT'D.)

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 RM368,000 (2025: RM418,425).

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
 Chee Li Har
 Dato' Kong Sooi Lin
 Mohammed Rafidz bin Ahmed Rasiddi (Appointed on 13 March 2026)
 Ramesh Pillai (Retired on 9 January 2026)
 Datin Hayati Aman binti Hashim (Retired on 21 August 2025)

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 Wong Weng Tuck (Appointed on 18 April 2025) Goh Wee Peng (Resigned on 1 April 2025)
2.	Amlslamic Funds Management Sdn Bhd	Chee Li Har Azian binti Kassim Mirza Shah bin Abdul Rahim Shah (Appointed on 18 April 2025) Mohamed Rozani bin Mohamed Osman (Appointed on 9 September 2025) Zainal Abidin bin Mohd Kassim (Retired on 8 September 2025) Wong Weng Tuck (Resigned on 1 July 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)

DIRECTORS' REPORT (CONT'D.)

DIRECTORS (CONT'D.)

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 (Cont'd.):

No.	Name of subsidiaries	Directors of the subsidiaries
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 (Dissolved on 1 March 2026)	Khoo Teck Beng Goh Wee Peng
8.	AmFutures Sdn Bhd (Dissolved on 14 January 2026)	Stephennoel Kwong Yong Shian Hon Chu Nyaw
9.	AmResearch Sdn Bhd (Dissolved on 18 February 2026)	Lee Yew Kin Khoo Teck Beng

DIRECTORS' INTERESTS

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

There are no interests in shares and options in the Bank or its related corporations, of those who were Directors at the end of the financial year as recorded in the Register of Directors' Shareholdings kept by the Bank under Section 59 of the Companies Act 2016.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors or the fixed salary of a full time employee as shown in Note 28 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 34 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	883	793
Other Emoluments	541	532
Benefits-in-kind	79	78
	<u>1,503</u>	<u>1,403</u>

DIRECTORS' REPORT (CONT'D.)

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.

CORPORATE GOVERNANCE

(a) DIRECTORS' PROFILE

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

Mr Jeyaratnam a/l Tamotharam Pillai, a Malaysian, aged 71, 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 the Senior 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 who has 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 had 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 (4) investment banks over a twelve (12)-year period. He was also a member of the Sub-Committee of Bursa Malaysia Securities Berhad 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 61, 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 has more than 3 decades of extensive experience in the banking and financial industry. Whilst serving as Managing Director of Capital Markets in Amcorp Group Berhad ('Amcorp'), he has successfully led a broad range of corporate finance, restructuring and funding exercises during his over 30 years of service with Amcorp. He was promoted to Deputy Group Managing Director of Amcorp on 1 November 2024 and subsequently to Group Managing Director of Amcorp on 1 April 2025. Prior to joining Amcorp, Mr Lum was with Southern Bank Berhad from 1987 to 1994 working in various capacities from operations to corporate banking.

Mr Lum was a Non-Independent Non-Executive Director of ECM Libra Group Berhad and Director of ECM Libra Investment Bank Berhad from 2008 till 2013 and 2012 respectively.

Mr Lum is currently a Non-Independent Non-Executive Director of RCE Capital Berhad (a public company listed on Bursa Malaysia Securities Berhad) and Amcorp Global Limited (a public company listed on the Singapore Exchange). He also sits on the board of Amcorp Properties Berhad, AmInvestment Group Berhad, AmGeneral Holdings Berhad and AmREIT Managers Sdn Bhd (the Manager of AmFIRST Real Estate Investment Trust).

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

Mr Lum has no shareholding in the Bank.

MS CHEE LI HAR Independent Non-Executive Director

Ms Chee Li Har, a Malaysian, aged 65, 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.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

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

DATO' KONG SOOI LIN **Independent Non-Executive Director**

Dato' Kong Sooi Lin, a Malaysian, aged 64, was appointed to the Board of the Bank on 30 October 2019 as an Independent Non-Executive Director. She is the Chairperson of the Audit and Examination Committee and 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 Chief Executive Officer 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 Assets Under Management ("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.

ENCIK MOHAMMED RAFIDZ BIN AHMED RASIDDI **Independent Non-Executive Director**

Encik Mohammed Rafidz bin Ahmed Rasid, a Malaysian, aged 59, was appointed to the Board of the Bank on 13 March 2026 as an Independent Non-Executive Director.

Encik Rafidz is a seasoned senior executive with over thirty (30) years of experience in highly regulated businesses, spanning investment banking, development finance, fintech, money services and platform-based businesses, supported by extensive experience in strategic leadership, governance and Profit and Loss oversight at both institutional and business line levels. He brings deep insights into Malaysia's financial services landscape.

Encik Rafidz has held senior leadership roles at both C-suite and board levels across a broad range of financial services institutions. His previous appointments include President and Group Managing Director of Bank Pembangunan Malaysia Berhad, Chief Executive Officer of Alliance Investment Bank Berhad, Deputy Chief Executive Officer of MIDF Amanah Investment Bank Berhad, Head of Investment Banking of RHB Investment Bank Berhad, Director of Corporate Finance of CIMB Investment Bank Berhad and Country Head of CIMB-GK Securities (Thailand) Ltd.

In addition to his experience in traditional financial institutions, Encik Rafidz has also held senior C-suite leadership roles in fintech and platform-based businesses. His strategic roles in these technology-centric organisations have strengthened his perspective on the role of technology, data and platform-based business models in enhancing organisational competitiveness, scalability and resilience.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

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

ENCIK MOHAMMED RAFIDZ BIN AHMED RASIDDI (CONT'D.) Independent Non-Executive Director

Encik Rafidz's governance experience includes serving on the boards of a bank and a public company, as well as participating in key board and management committees, including audit and risk, credit, and asset and liability management committees.

Encik Rafidz holds a Bachelor of Science in Economics (Honours) from City, University of London, and a Master of Business Administration from Alliance Manchester Business School, University of Manchester, United Kingdom. He is a Member of the Institute of Corporate Directors Malaysia.

Encik Rafidz 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.

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.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

(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 recommendations on 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 ten (10) 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 and 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 five (5) Directors with wide skills and experience, four (4) 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") 2026

Directors	Board of Directors	Audit and Examination Committee	Risk Management Committee
Jeyaratnam a/l Tamotharam Pillai	9/10 (Chairman)	N/A	N/A
Lum Sing Fai	10/10	7/7	N/A
Chee Li Har	10/10	6/7	7/7
Dato' Kong Sooi Lin	10/10	4/4 ^a (Chairperson)	6/7
Mohammed Rafidz bin Ahmed Rasiddi (Appointed on 13 March 2026)	1/1	N/A	N/A
Ramesh Pillai (Retired on 9 January 2026)	8/8	N/A	4/4 ^b
Datin Hayati Aman binti Hashim (Retired on 21 August 2025)	4/4	3/3 ^c	N/A
Number of meetings held in FY2026	10	7	7

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 Chairperson with effective from 22 August 2025.
4. ^b Ceased as Chairman following retirement as Director on 9 January 2026.
5. ^c Ceased as Chairperson following retirement as Director on 21 August 2025.

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 2026 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 the review of risk management processes, operational controls, financial controls, compliance with laws and regulations, and information technology systems and security.

Group Internal Audit prioritises its efforts in performing audits in accordance with the audit plan, based on a comprehensive risk assessment of all areas of banking activities. The risk-based audit plan is reviewed at least semi-annually taking into account 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 is formed to assist the Board in discharging its duties in overseeing the overall management of all risks, covering but not limited to credit, market, funding, operational, legal, regulatory, capital, strategic reputation, sustainability (covering environmental, social and governance), climate change, shariah, information technology and cyber risks.

The RMC is independent from Management and comprises three (3) members, all of whom, 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 seven (7) meetings held during the financial year ended 31 March 2026.

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 and Mr Jeyaratnam a/l Tamotharam Pillai 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 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's Boards for approval;
- To recommend a formal and transparent procedure for developing the remuneration policy for Non-Executive Directors, Shariah Committee members, Senior Management and employees for the approval of the Board;
- To establish remuneration strategies and frameworks and to recommend remuneration packages that are:
 - Consistent with 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; and
- 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 eight (8) times during the financial year ended 31 March 2026.

DIRECTORS' REPORT (CONT'D.)

CORPORATE GOVERNANCE (CONT'D.)

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

GROUP INFORMATION TECHNOLOGY COMMITTEE ("GITC")

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

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

- review and recommend Group-wide IT policies, procedures and frameworks including IT security, IT risk management and digital services for Board approval, to ensure the effectiveness of internal control systems and the reliability of management information systems;
- provide strategic oversight for IT, digital and cybersecurity development within AMMB Group and ensuring that IT, cybersecurity, digitalisation and technology-related innovation strategic plans are aligned and integrated with 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 recommend the long-term IT, digital and cybersecurity strategic plans and budgets implementation;
- review and concur the Cyber Risk Strategy to ensure technology risk profile and security posture are monitored and updated in alignment with IT Security's Strategy and technology deliverables;
- review and oversee project management and the value delivery (including benefits realisation) of all significant IT expenditures and investments;
- oversee the adequacy and utilisation of AMMB Group's IT resources, including computer hardware, software, personnel who are involved in the development, modification and maintenance of computer programs and related standard procedures as well as the recovery controls and incident response plans to mitigate disruptions 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, critical technology operations and cyber threats;
- review and recommend any deviation from technology-related policies, guidelines and directives issued by the relevant regulators for the approval of the respective Boards, after undertaking a robust assessment of the related risks;
- responsible for overall oversight function on IT-related matters, including ex-ante risk assessments on digital services and the usage of cloud services and emerging technology; and
- advise the Board on matters within the scope of the GITC, as well as any major IT-related issues that merit the attention of the Board.

The GITC met six (6) times during the financial year ended 31 March 2026.

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.

Registration No. 197501002220 (23742-V)

DIRECTORS' REPORT (CONT'D.)

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:

<u>Rating Agency</u>	<u>Date accorded</u>	<u>Rating Classification</u>	<u>Ratings</u>
RAM Rating Services Berhad	22 May 2025	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 2026 RM'000	Bank 2026 RM'000
Audit services	278	189
Regulatory and assurance related	77	77
	<u>355</u>	<u>266</u>

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



JEYARATNAM A/L TAMOTHARAM PILLAI

Kuala Lumpur, Malaysia
28 May 2026



DATO' KONG SOOI LIN

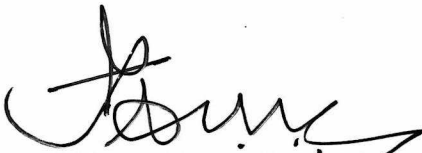
Registration No. 197501002220 (23742-V)

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 **DATO' KONG SOOI LIN**, 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 24 to 156 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 2026 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
Kuala Lumpur, Malaysia
28 May 2026



DATO' KONG SOOI LIN

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

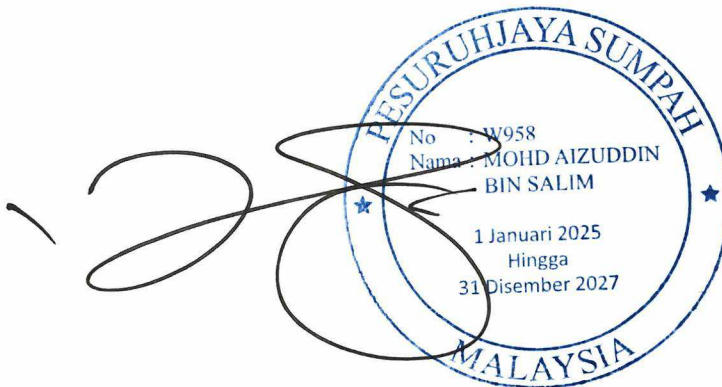
I, **PHUAH SHOK CHENG**, being the officer primarily responsible for the financial management of **AmINVESTMENT BANK BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 24 to 156, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.



PHUAH SHOK CHENG
(MIA Number: 21949)

Subscribed and solemnly declared by the abovenamed **PHUAH SHOK CHENG** at Kuala Lumpur in the state of Wilayah Persekutuan on 28 May 2026, before me

COMMISSIONER FOR OATHS



UNIT 1.47, 1ST FLOOR,
WISMA COSWAY,
NO. 88, JALAN RAJA CHULAN
50200 KUALA LUMPUR.

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 2026 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 24 to 156.

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 2026, 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.



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)**

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 express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Bank are responsible for the preparation of financial statements of the Group and of the Bank that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.



**Shape the future
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

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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.



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.)

- 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

Kuala Lumpur, Malaysia
28 May 2026

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

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Note	Group		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
ASSETS					
Cash and short-term funds	6	495,718	534,141	387,287	430,714
Deposits and placements with a bank	7	130,000	-	130,000	-
Financial investments at fair value through other comprehensive income ("FVOCI")	9	33,117	33,076	33,117	33,076
Financial investment at amortised cost	10	75,000	75,000	75,000	75,000
Loans and advances	11	389,985	605,128	389,985	605,128
Statutory deposit with Bank Negara Malaysia	12	2,100	10,189	2,100	10,189
Deferred tax assets	13	25,045	32,550	21,655	28,970
Investment in subsidiaries	14	-	-	49,809	51,054
Trade receivables and other assets	15	711,081	917,872	679,068	887,706
Property and equipment	16	16,548	15,654	14,570	15,175
Right-of-use assets	17	4,248	1,415	4,248	1,415
Intangible assets	18	43,484	42,107	4,778	4,198
TOTAL ASSETS		1,926,326	2,267,132	1,791,617	2,142,625
LIABILITIES AND EQUITY					
Deposits and placements of a bank	19	570,000	700,000	570,000	700,000
Derivative financial liabilities	8	-	1	-	1
Trade payables and other liabilities	20	653,934	873,532	614,029	841,401
TOTAL LIABILITIES		1,223,934	1,573,533	1,184,029	1,541,402
Share capital	21	330,000	330,000	330,000	330,000
Reserves	22	372,392	363,599	277,588	271,223
Equity attributable to equity holder of the Bank		702,392	693,599	607,588	601,223
TOTAL LIABILITIES AND EQUITY		1,926,326	2,267,132	1,791,617	2,142,625
COMMITMENTS AND CONTINGENCIES	38	147,615	213,126	147,615	213,126
NET ASSETS PER ORDINARY SHARE (RM)		2.24	2.21	1.93	1.91

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 2026

	Note	Group		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Interest income	23	52,343	86,573	50,870	84,990
Interest expense	24	(22,065)	(45,739)	(21,893)	(45,646)
Net interest income		30,278	40,834	28,977	39,344
Other operating income	25	402,522	403,286	263,406	280,938
Direct costs	26	(83,824)	(73,507)	(41,555)	(46,288)
Net income		348,976	370,613	250,828	273,994
Other operating expenses	27	(226,921)	(246,427)	(152,319)	(171,111)
Operating profit before impairment losses		122,055	124,186	98,509	102,883
(Allowances for)/Writeback of impairment on:					
Loans and advances, net	29	(811)	2,548	(811)	2,548
Other financial assets	30	1,025	2,998	1,025	2,993
Other non-financial assets	30	-	349	-	349
(Provision)/Writeback of provision for commitments and contingencies	20(b)	(1,639)	26	(750)	26
Profit before taxation		120,630	130,107	97,973	108,799
Taxation	31	(27,587)	(27,961)	(7,358)	(11,893)
Profit for the financial year attributable to equity holder of the Bank		93,043	102,146	90,615	96,906
Basic/diluted earnings per share (sen)	32	29.6	32.5		

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 2026

	Note	Group		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit for the financial year		93,043	102,146	90,615	96,906
Other comprehensive income/(loss):					
Items that will not be reclassified subsequently to profit or loss					
<u>Equity instruments at FVOCI</u>					
Net unrealised gain/(loss) on changes in fair value		5	(54)	5	(54)
Items that may be reclassified subsequently to profit or loss					
<u>Debt instruments at FVOCI</u>					
Net unrealised loss on changes in fair value		(66)	(136)	(66)	(136)
Tax effect	13	16	33	16	33
		(50)	(103)	(50)	(103)
Other comprehensive loss for the financial year, net of tax		(45)	(157)	(45)	(157)
Total comprehensive income for the financial year attributable to equity holder of the Bank		92,998	101,989	90,570	96,749

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 2026

Group	-----Attributable to equity holder of the Bank-----						Total Equity RM'000
	Share capital RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Reorganisation reserve RM'000	Fair value reserve RM'000	Distributable Retained earnings 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 (Note 33)	-	-	-	-	-	(32,346)	(32,346)
- Interim single-tier dividend for the financial year ended 31 March 2025	-	-	-	-	-	(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 2026 (CONT'D.)

Group	-----Attributable to equity holder of the Bank-----						Total Equity RM'000
	Share capital RM'000	Capital reserve RM'000	Regulatory reserve RM'000	Reorganisation reserve RM'000	Fair value reserve RM'000	Distributable Retained earnings RM'000	
At 1 April 2025	330,000	2,815	10,759	82,115	1,755	266,155	693,599
Profit for the financial year	-	-	-	-	-	93,043	93,043
Other comprehensive loss	-	-	-	-	(45)	-	(45)
Total comprehensive (loss)/income	-	-	-	-	(45)	93,043	92,998
Transfer to retained earnings	-	-	(89)	-	-	89	-
Dividends (Note 33)	-	-	-	-	-	(64,691)	(64,691)
- Final single-tier dividend for the financial year ended 31 March 2025	-	-	-	-	-	(64,691)	(64,691)
- Interim single-tier dividend for the financial year ended 31 March 2026	-	-	-	-	-	(23,239)	(23,239)
Effect arising from internal reorganisation (Note 22(iii))	-	-	-	3,725	-	-	3,725
Transactions with owner and other equity movements	-	-	(89)	3,725	-	(87,841)	(84,205)
At 31 March 2026	330,000	2,815	10,670	85,840	1,710	271,357	702,392

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 2026 (CONT'D.)

	<-----Attributable to equity holder of the Bank----->				Total Equity RM'000
	Share capital RM'000	Non-distributable Regulatory reserve RM'000	Fair value reserve RM'000	Distributable Retained earnings RM'000	
Bank					
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 (Note 33)	-	-	-	(32,346)	(32,346)
- Interim single-tier dividend for the financial year ended 31 March 2025	-	-	-	(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.

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D.)

	<-----Attributable to equity holder of the Bank----->					Total Equity RM'000
	Share capital RM'000	Non-distributable		Fair value reserve RM'000	Distributable Retained earnings RM'000	
Bank	Regulatory reserve RM'000	Reorganisation reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	Total Equity RM'000	
At 1 April 2025	330,000	10,759	-	1,755	258,709	601,223
Profit for the financial year	-	-	-	-	90,615	90,615
Other comprehensive loss	-	-	-	(45)	-	(45)
Total comprehensive (loss)/income	-	-	-	(45)	90,615	90,570
Transfer to retained earnings	-	(89)	-	-	89	-
Dividends (Note 33)						
- Final single-tier dividend for the financial year ended 31 March 2025	-	-	-	-	(64,691)	(64,691)
- Interim single-tier dividend for the financial year ended 31 March 2026	-	-	-	-	(23,239)	(23,239)
Effect arising from internal reorganisation (Note 22(iii))	-	-	3,725	-	-	3,725
Transactions with owner and other equity movements	-	(89)	3,725	-	(87,841)	(84,205)
At 31 March 2026	330,000	10,670	3,725	1,710	261,483	607,588

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

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	Group		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation:		120,630	130,107	97,973	108,799
Adjustments for:					
Amortisation of intangible assets	27	2,388	806	1,842	486
Net accretion of discount for securities		(103)	(28)	(103)	(28)
Depreciation of property and equipment	27	1,638	1,700	1,244	1,549
Depreciation of right-of-use assets	27	670	672	670	672
Writeback of impairment on computer software	30	-	(349)	-	(349)
Dividend income from financial investments at FVOCI	25	(98)	(98)	(98)	(98)
Dividend income from subsidiaries	25	-	-	(70,300)	(62,020)
Finance costs	27	46	63	46	63
Net gain on disposal of property and equipment	25	(7)	-	(7)	-
Gain on lease remeasurement/termination	25	(45)	-	(45)	-
Gain on dissolution of subsidiaries	25	-	-	(95)	-
Net gain from sale of financial assets at fair value through profit or loss ("FVTPL")	25	(3)	(6)	(3)	(6)
Provision/(Writeback) of provision for commitments and contingencies	20(b)	1,639	(26)	750	(26)
Writeback of impairment on other financial assets	30	(1,025)	(2,998)	(1,025)	(2,993)
Allowances/(Writeback) of impairment on loans and advances	29	818	(2,548)	818	(2,548)
Scheme shares granted under AMMB ESS, charge	27	4,110	4,210	3,215	2,981
Net foreign exchange loss/(gain)	25	741	51	(185)	(451)
Operating profit before working capital changes carried forward		<u>131,399</u>	<u>131,556</u>	<u>34,697</u>	<u>46,031</u>

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D.)

	Note	Group		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D.)					
Operating profit before working capital changes brought forward		131,399	131,556	34,697	46,031
Change in operating assets:					
Loans and advances		214,325	274,958	214,325	274,958
Statutory deposit with Bank Negara Malaysia		8,089	4,500	8,089	4,500
Trade receivables and other assets		169,457	150,549	174,092	155,021
Change in operating liabilities:					
Net redemption of securities financial liabilities at fair value		-	(66,620)	-	(66,620)
Deposits and placements of a bank		(130,000)	(1,000,000)	(130,000)	(1,000,000)
Trade payables and other liabilities		(221,561)	(135,750)	(226,230)	(136,823)
Cash generated from/(used in) operations		171,709	(640,807)	74,973	(722,933)
Taxation refund/(paid), net		15,102	(12,975)	31,958	2,417
Net cash generated from/(used in) operating activities		186,811	(653,782)	106,931	(720,516)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received from subsidiaries	25	-	-	70,300	62,020
Dividends received from financial investments at FVOCI	25	98	98	98	98
Proceeds from disposal of property and equipment		13	-	7	-
Purchase of financial investments at FVOCI		-	(72)	-	(72)
Purchase of intangible assets	18(b)	(3,785)	(2,083)	(2,442)	(1,267)
Purchase of property and equipment	16	(2,860)	(2,795)	(961)	(2,520)
Return of capital from subsidiaries		-	-	1,340	-
Cash transfer from internal reorganisation		(36)	-	(36)	-
Net cash (used in)/generated from investing activities		(6,570)	(4,852)	68,306	58,259

AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D.)

	Note	Group		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	33	(87,930)	(32,346)	(87,930)	(32,346)
Payment of lease liabilities	20(c)	(734)	(720)	(734)	(720)
Net cash used in financing activities		<u>(88,664)</u>	<u>(33,066)</u>	<u>(88,664)</u>	<u>(33,066)</u>
Net increase/(decrease) in cash and cash equivalents		91,577	(691,700)	86,573	(695,323)
Cash and cash equivalents at beginning of the financial year		<u>534,141</u>	<u>1,225,841</u>	<u>430,714</u>	<u>1,126,037</u>
Cash and cash equivalents at end of the financial year		<u>625,718</u>	<u>534,141</u>	<u>517,287</u>	<u>430,714</u>
Cash and cash equivalents comprise:					
Cash and short-term funds	6	495,718	534,141	387,287	430,714
Deposits and placements with a bank	7	130,000	-	130,000	-
		<u>625,718</u>	<u>534,141</u>	<u>517,287</u>	<u>430,714</u>

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

**AmINVESTMENT BANK BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

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 22nd Floor, 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, 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 27 April 2026.

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. From the assessment, the management is not aware of any material uncertainties related to events or conditions that may cast significant doubt upon the Group's and the Bank's ability to continue as a going concern, hence these financial statements have been prepared on a going concern basis.

2.2 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Bank have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.3 Presentation of financial statements

The financial statements are presented in Ringgit Malaysia ("RM" or "MYR") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

The statements of financial position are presented in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (i.e. "current") and more than 12 months after the reporting date (i.e. "non-current") is presented in Note 40.

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 2026.

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 loses control over a subsidiary, it:

- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interests;
- derecognises the cumulative translation differences recorded in equity;
- recognises any consideration received at its fair value;
- recognises any investment retained at its fair value;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognised in OCI to profit or loss, or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies

2.5a Business combinations and goodwill

Business combinations, other than business combinations between entities under common control, are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the acquisition date fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. For financial liabilities, this includes the separation of embedded derivatives in host contracts by the acquiree.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is classified as a financial asset or a financial liability is recognised in accordance with MFRS 9 *Financial Instruments* ("MFRS 9") in profit or loss. If the contingent consideration is not within the scope of MFRS 9, it is measured at fair value at each reporting date with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units ("CGU"), or groups of CGUs, that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment in accordance with MFRS 8 *Operating Segments* ("MFRS 8").

2. ACCOUNTING POLICIES (CONT'D.)

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

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

Where goodwill has been allocated to a CGU (or a group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

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

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

2.5b Investment in subsidiaries

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

2.5c 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, as follows:

Premises	50 years or over the term of short-term lease
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If the Group and Bank reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the right-of-use assets are depreciated over the assets' useful life.

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 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 financial assets

When the contractual cash flows of financial asset are renegotiated or otherwise modified as a result of commercial restructuring activity, 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/counterparty is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower/counterparty 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 repayment term when the borrower/counterparty 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 financial assets (Cont'd.)

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

- change in the currency the financial asset are denominated in; or
- insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the financial asset.

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/counterparty 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 and financial liabilities 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 43:

- 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.)

2.5I 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 42.2.4.

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.)

2.5I Financial instruments – expected credit losses (“ECL”) (Cont'd.)

(ii) Collateral valuation

The Group and the Bank seek to use collateral, where possible, to mitigate their 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 42.2.2 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 of 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 are also disclosed as a contingent liability unless the probability of outflow or economic resources is remote.

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

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

2.5q 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.

Interest income on financial assets, other than those that are credit-impaired, is calculated by applying the EIR to the gross carrying amount of the financial asset. When a financial asset becomes credit-impaired, interest income is calculated by applying the EIR to the amortised cost of the financial asset.

(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 commission income, interchange, 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, the purchase or sale of businesses, brokerage, underwriting, or loan syndication/arrangement services 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) Share-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 and 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 period.

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of 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 of 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 32. 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 44.

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 39.

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. The adoption of the following amendments to published standard did not require a change in the accounting policies or retrospective adjustments, as they did not have any material impact on the financial statements of the Group and of the Bank:

- Lack of Exchangeability (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)

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

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.

3.2 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 for the Group and the Bank. 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
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2026
- Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
- Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 <i>Financial Instruments</i> and MFRS 7 <i>Financial Instruments: Disclosures</i>)	1 January 2026
- MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
- MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
- Translation to a Hyperinflationary Presentation Currency (Amendments to MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>)	1 January 2027
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 <i>Consolidated Financial Statements</i> and MFRS 128 <i>Investments in Associates and Joint Ventures</i>)	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 currently assessing the financial effects of their adoption.

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

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

3.2a 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.

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.

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

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

3.2a Amendments to published standards effective for financial year ending 31 March 2027 (Cont'd.)

Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)

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.

3.2b 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.

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

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

Consequential amendments to other accounting standards include, among others:

(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.

Translation to a Hyperinflationary Presentation Currency (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)

The amendments require all amounts (including comparatives) to be translated from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy using the closing rate at the date of the most recent statement of financial position.

The amendments is not expected to have any impact on the financial statements of the Group and of the Bank as none of the group entities has a functional or presentation currency that is the currency of a hyperinflationary economy.

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 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, 29, 30 and 46(b))

The measurement of the ECL allowances for financial assets measured at amortised cost, 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 42.2.4.

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 31)

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.

5.5 Fair value measurements of financial instruments (Notes 9, 10 and 43)

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 43 include considerations of liquidity and model inputs such as volatility for longer-dated derivatives and discount rates.

6. CASH AND SHORT-TERM FUNDS

	Group		Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash and bank balances	156,049	192,607	129,553	168,985
Deposit placements maturing within one month:				
Licensed banks, related companies	131,935	157,605	50,000	77,800
Bank Negara Malaysia	92,000	166,000	92,000	166,000
Other financial institutions	115,734	17,929	115,734	17,929
	<u>495,718</u>	<u>534,141</u>	<u>387,287</u>	<u>430,714</u>

The cash and bank balances of the Group is net of bank overdraft of RM Nil (2025: RM3,819,179). The interest rate of the bank overdraft for 2025 is 4.20% per annum, repayable on demand.

7. DEPOSITS AND PLACEMENTS WITH A BANK

	Group and Bank	
	2026 RM'000	2025 RM'000
Licensed bank, a related company (Note 34)	<u>130,000</u>	<u>-</u>
Of which deposits and placements with original maturity of:		
Three months or less	<u>130,000</u>	<u>-</u>

8. DERIVATIVE FINANCIAL LIABILITIES

	2026			2025		
	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
Group and Bank						
Trading derivative						
Foreign exchange related contracts:						
One year or less	<u>51</u>	<u>-</u>	<u>-</u>	<u>501</u>	<u>-</u>	<u>1</u>
	<u>51</u>	<u>-</u>	<u>-</u>	<u>501</u>	<u>-</u>	<u>1</u>

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

	Group and Bank	
	2026	2025
	RM'000	RM'000
At Fair Value		
Money Market Instruments:		
Malaysian Government Securities	30,372	30,336
Unquoted securities:		
In Malaysia:		
Shares	2,706	2,707
Outside Malaysia:		
Shares	39	33
	<u>33,117</u>	<u>33,076</u>

Equity investments at FVOCI comprise the following individual investments:

Group and Bank	Fair value		Dividend income	
	2026	2025	(Note 25)	
	RM'000	RM'000	2026	2025
			RM'000	RM'000
Unquoted securities in Malaysia:				
Malaysian South-South Corporation Berhad	2,706	2,707	98	98
Unquoted securities outside Malaysia:				
S.W.I.F.T SCRL	39	33	-	-
	<u>2,745</u>	<u>2,740</u>	<u>98</u>	<u>98</u>

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	
	2026	2025
	RM'000	RM'000
At Amortised Cost		
Unquoted securities:		
In Malaysia:		
Corporate bond	75,000	75,000
	<u>75,000</u>	<u>75,000</u>

11. LOANS AND ADVANCES

	Group and Bank	
	2026	2025
	RM'000	RM'000
At Amortised Cost		
Share margin financing	397,841	612,337
Revolving credits	-	1,751
Staff loans	147	210
Gross loans and advances	<u>397,988</u>	<u>614,298</u>
Less: Allowances for ECL (Note 11(g)):		
- Stage 1 - 12-month ECL	-	(1)
- Stage 3 - Lifetime ECL credit-impaired	(8,003)	(9,169)
	<u>(8,003)</u>	<u>(9,170)</u>
Net loans and advances	<u>389,985</u>	<u>605,128</u>

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

	Group and Bank	
	2026	2025
	RM'000	RM'000
Domestic business enterprises:		
- Small and medium enterprises	20,523	34,070
- Others	4,624	4,868
Individuals	367,893	570,088
Foreign individuals and entities	4,948	5,272
	<u>397,988</u>	<u>614,298</u>

(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	
	2026	2025
	RM'000	RM'000
Fixed rate:		
- Other fixed rate loans	77	110
Variable rate:		
- Base lending rate-plus	397,911	612,437
- Cost-plus	-	1,751
	<u>397,988</u>	<u>614,298</u>

11. LOANS AND ADVANCES (CONT'D.)

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

	Group and Bank	
	2026	2025
	RM'000	RM'000
Agriculture	336	343
Mining and quarrying	7	-
Manufacturing	4,624	4,868
Wholesale and retail trade and hotels and restaurants	5,797	6,816
Transport, storage and communication	3,064	12,665
Real estate	1,426	1,260
Business activities	163	3,179
Education and health	9,730	9,806
Household, of which:	372,841	575,361
- Purchase of residential properties	147	210
- Others	372,694	575,151
	<u>397,988</u>	<u>614,298</u>

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

	Group and Bank	
	2026	2025
	RM'000	RM'000
Maturing within one year	397,886	614,155
Over one year to three years	71	23
Over three years to five years	31	120
	<u>397,988</u>	<u>614,298</u>

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

	Group and Bank	
	2026	2025
	RM'000	RM'000
Balance at beginning of the financial year	19,889	25,348
Impaired during the financial year	1,216	2,557
Recoveries	(485)	(8,016)
Amount written off	(1,985)	-
Balance at end of the financial year	<u>18,635</u>	<u>19,889</u>
Gross impaired loans and advances as % of gross loans and advances	<u>4.7%</u>	<u>3.2%</u>
Loan loss coverage (including regulatory reserve)	<u>100.2%</u>	<u>100.2%</u>

11. LOANS AND ADVANCES (CONT'D.)

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

Group and Bank	Stage 1	Stage 3	Total
	12-Month ECL RM'000	Lifetime ECL credit- impaired RM'000	
2026			
Balance at beginning of the financial year	1	9,169	9,170
Net (writeback of)/allowances for ECL (Note 29)	(1)	819	818
Amount written off	-	(1,985)	(1,985)
Balance at end of the financial year	-	8,003	8,003
2025			
Balance at beginning of the financial year	1	11,717	11,718
Net writeback of ECL (Note 29)	-	(2,548)	(2,548)
Balance at end of the financial year	1	9,169	9,170

The total allowances for impairment on loans and advances for the Group and Bank decreased by RM1,167,000 mainly due to the write off of ECL amounting to RM1,985,000, offset with the net allowances for ECL of RM818,000 mainly 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. Effective 16 May 2025, the Statutory Reserve Requirement ("SRR") rate for banking institutions revised from 2.0% to 1.0% of eligible liabilities.

13. DEFERRED TAX ASSETS

	Group		Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Balance at the beginning of the financial year	32,550	44,658	28,970	40,830
Recognised in profit or loss (Note 31)	(7,521)	(12,141)	(7,331)	(11,893)
Recognised in other comprehensive income	16	33	16	33
Balance at the end of the financial year	25,045	32,550	21,655	28,970

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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deferred tax assets	25,885	33,166	22,289	29,432
Deferred tax liabilities	(840)	(616)	(634)	(462)
Deferred tax assets, net	25,045	32,550	21,655	28,970

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	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
Deferred tax assets				
31 March 2026				
Provision for commitments and contingencies	29	213	-	242
Provision for expenses	9,833	(1,399)	-	8,434
Unutilised tax losses	17,959	(5,545)	-	12,414
Other temporary differences	5,345	(550)	-	4,795
	<u>33,166</u>	<u>(7,281)</u>	<u>-</u>	<u>25,885</u>
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
	<u>45,139</u>	<u>(11,973)</u>	<u>-</u>	<u>33,166</u>
Deferred tax liabilities				
31 March 2026				
Fair value reserve	(149)	-	16	(133)
Excess of capital allowances over depreciation and amortisation	(467)	(240)	-	(707)
	<u>(616)</u>	<u>(240)</u>	<u>16</u>	<u>(840)</u>
31 March 2025				
Fair value reserve	(182)	-	33	(149)
Excess of capital allowances over depreciation and amortisation	(299)	(168)	-	(467)
	<u>(481)</u>	<u>(168)</u>	<u>33</u>	<u>(616)</u>

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	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
Deferred tax assets				
31 March 2026				
Provision for commitments and contingencies	29	-	-	29
Provision for expenses	6,613	(1,135)	-	5,478
Unutilised tax losses	17,959	(5,545)	-	12,414
Other temporary differences	4,831	(463)	-	4,368
	<u>29,432</u>	<u>(7,143)</u>	<u>-</u>	<u>22,289</u>
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
	<u>41,189</u>	<u>(11,757)</u>	<u>-</u>	<u>29,432</u>
Deferred tax liabilities				
31 March 2026				
Fair value reserve	(149)	-	16	(133)
Excess of capital allowances over depreciation and amortisation	(313)	(188)	-	(501)
	<u>(462)</u>	<u>(188)</u>	<u>16</u>	<u>(634)</u>
31 March 2025				
Fair value reserve	(182)	-	33	(149)
Excess of capital allowances over depreciation and amortisation	(177)	(136)	-	(313)
	<u>(359)</u>	<u>(136)</u>	<u>33</u>	<u>(462)</u>

14. INVESTMENT IN SUBSIDIARIES

	Bank	
	2026	2025
	RM'000	RM'000
Unquoted shares in Malaysia:		
Cost		
At beginning of the financial year	64,187	64,187
Dissolution of subsidiaries	(14,378)	-
At end of the financial year	<u>49,809</u>	<u>64,187</u>
Accumulated impairment loss		
At beginning of the financial year	13,133	13,133
Dissolution of subsidiaries	(13,133)	-
At end of the financial year	<u>-</u>	<u>13,133</u>
Carrying amount		
At end of the financial year	<u>49,809</u>	<u>51,054</u>

Subsidiaries	Principal Activities	Effective Equity Interest	
		2026	2025
Incorporated in Malaysia		%	%
AMMB Nominees (Tempatan) Sdn Bhd ¹	Dormant	-	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 ²	Dormant	-	100
AmFutures Sdn Bhd ³	Dormant	-	100
AmFunds Management Berhad	Fund management	100	100
AmIslamic Funds Management Sdn Bhd	Fund management	100	100

¹ Subsidiary commenced members' voluntary winding-up on 22 May 2020 and dissolved on 1 March 2026.

² Subsidiary commenced members' voluntary winding-up on 23 December 2016 and dissolved on 18 February 2026.

³ Subsidiary commenced members' voluntary winding-up on 27 March 2018 and dissolved on 14 January 2026.

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		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Trade receivables	(a)	506,784	509,330	491,712	497,729
Other receivables, deposits and prepayments		44,982	46,079	24,780	23,877
Interest receivable		1,131	1,028	1,131	1,028
Tax recoverable		20,034	52,987	20,030	52,015
Margin deposits		148,087	319,284	148,087	319,284
Amount due from holding company	(b), 34	-	97	-	91
Amount due from subsidiaries	(b), 34	-	-	2,969	4,324
Amount due from related companies	(b), 34	300	329	300	324
		<u>721,318</u>	<u>929,134</u>	<u>689,009</u>	<u>898,672</u>
Less: Allowances for ECL	(c)	<u>(10,237)</u>	<u>(11,262)</u>	<u>(9,941)</u>	<u>(10,966)</u>
		<u>711,081</u>	<u>917,872</u>	<u>679,068</u>	<u>887,706</u>

- (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		Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Balance at beginning of the financial year	11,262	14,260	10,966	13,959
Net writeback of ECL during the financial year (Note 30)	<u>(1,025)</u>	<u>(2,998)</u>	<u>(1,025)</u>	<u>(2,993)</u>
Balance at end of the financial year	<u>10,237</u>	<u>11,262</u>	<u>9,941</u>	<u>10,966</u>

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 RM7,040,859 (2025: RM8,196,235).

16. PROPERTY AND EQUIPMENT

Group 2026	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	20,598	23,138	30,612	507	94,988
Additions	-	-	1,344	246	1,270	-	2,860
Disposals	-	-	-	(59)	(1,189)	-	(1,248)
Written-off	-	-	-	(32)	(7)	-	(39)
Transfer to a related company	-	-	(1,115)	(882)	(907)	-	(2,904)
At end of the financial year	<u>3,000</u>	<u>17,133</u>	<u>20,827</u>	<u>22,411</u>	<u>29,779</u>	<u>507</u>	<u>93,657</u>
Accumulated depreciation							
At beginning of the financial year	1,365	7,863	19,939	22,636	27,024	507	79,334
Depreciation charge for the financial year (Note 27)	60	343	414	124	697	-	1,638
Disposals	-	-	-	(59)	(1,183)	-	(1,242)
Written-off	-	-	-	(32)	(7)	-	(39)
Transfer to a related company	-	-	(941)	(856)	(785)	-	(2,582)
At end of the financial year	<u>1,425</u>	<u>8,206</u>	<u>19,412</u>	<u>21,813</u>	<u>25,746</u>	<u>507</u>	<u>77,109</u>
Carrying amount							
At end of the financial year	<u>1,575</u>	<u>8,927</u>	<u>1,415</u>	<u>598</u>	<u>4,033</u>	<u>-</u>	<u>16,548</u>

16. PROPERTY AND EQUIPMENT (CONT'D.)

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	<u>3,000</u>	<u>17,133</u>	<u>20,598</u>	<u>23,138</u>	<u>30,612</u>	<u>507</u>	<u>94,988</u>
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 27)	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	<u>1,365</u>	<u>7,863</u>	<u>19,939</u>	<u>22,636</u>	<u>27,024</u>	<u>507</u>	<u>79,334</u>
Carrying amount							
At end of the financial year	<u>1,635</u>	<u>9,270</u>	<u>659</u>	<u>502</u>	<u>3,588</u>	<u>-</u>	<u>15,654</u>

16. PROPERTY AND EQUIPMENT (CONT'D.)

Bank 2026	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	19,881	21,909	28,466	507	90,896
Additions	-	-	45	156	760	-	961
Disposals	-	-	-	(59)	(1,111)	-	(1,170)
Written-off	-	-	-	(32)	(7)	-	(39)
Transfer to a related company	-	-	(1,115)	(882)	(907)	-	(2,904)
At end of the financial year	<u>3,000</u>	<u>17,133</u>	<u>18,811</u>	<u>21,092</u>	<u>27,201</u>	<u>507</u>	<u>87,744</u>
Accumulated depreciation							
At beginning of the financial year	1,365	7,863	19,223	21,431	25,332	507	75,721
Depreciation charge for the financial year (Note 27)	60	341	245	108	490	-	1,244
Disposals	-	-	-	(59)	(1,111)	-	(1,170)
Written-off	-	-	-	(32)	(7)	-	(39)
Transfer to a related company	-	-	(941)	(856)	(785)	-	(2,582)
At end of the financial year	<u>1,425</u>	<u>8,204</u>	<u>18,527</u>	<u>20,592</u>	<u>23,919</u>	<u>507</u>	<u>73,174</u>
Carrying amount							
At end of the financial year	<u>1,575</u>	<u>8,929</u>	<u>284</u>	<u>500</u>	<u>3,282</u>	<u>-</u>	<u>14,570</u>

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	<u>3,000</u>	<u>17,133</u>	<u>19,881</u>	<u>21,909</u>	<u>28,466</u>	<u>507</u>	<u>90,896</u>
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 27)	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	<u>1,365</u>	<u>7,863</u>	<u>19,223</u>	<u>21,431</u>	<u>25,332</u>	<u>507</u>	<u>75,721</u>
Carrying amount							
At end of the financial year	<u>1,635</u>	<u>9,270</u>	<u>658</u>	<u>478</u>	<u>3,134</u>	<u>-</u>	<u>15,175</u>

17. RIGHT-OF-USE ASSETS

Group and Bank	Note	Premises	
		2026	2025
		RM'000	RM'000
Cost			
At beginning of the financial year		6,374	6,374
Additions		4,663	-
Remeasurement		(1,152)	-
Derecognition of expired lease		(4,692)	-
Termination		(87)	-
At end of the financial year		<u>5,106</u>	<u>6,374</u>
Accumulated depreciation			
At beginning of the financial year		4,959	4,287
Depreciation charge for the financial year	27	670	672
Derecognition of expired lease		(4,692)	-
Termination		(79)	-
At end of the financial year		<u>858</u>	<u>4,959</u>
Carrying amount			
At end of the financial year		<u>4,248</u>	<u>1,415</u>

The carrying amount of the right-of-use assets includes carrying amount of estimated cost for reinstatement which amounted to RM Nil (2025: RM Nil).

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 20(c).

18. INTANGIBLE ASSETS

	Note	Group		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Goodwill	(a)	36,442	36,442	-	-
Other intangibles:					
Computer software	(b)	3,978	3,392	3,346	2,654
Work-in-progress ("WIP") for computer software	(b)	3,064	2,273	1,432	1,544
		<u>7,042</u>	<u>5,665</u>	<u>4,778</u>	<u>4,198</u>
		<u>43,484</u>	<u>42,107</u>	<u>4,778</u>	<u>4,198</u>

(a) Goodwill

	Group	
	2026 RM'000	2025 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	
	2026 RM'000	2025 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 (2025: one-year period), taking into account the projected regulatory capital requirements, as well as the terminal growth rate of 3.0% (2025: 3.0%) based on long-term GDP forecast and expectations of market opportunities. The discount rate applied is 7.8% (2025: 7.7%).

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 2026	Computer software RM'000	WIP for computer software RM'000	Total RM'000
Cost			
At beginning of the financial year	33,395	2,384	35,779
Additions	1,157	2,628	3,785
Reclassification	1,948	(1,948)	-
Transfer to a related company	(2,872)	-	(2,872)
At end of the financial year	<u>33,628</u>	<u>3,064</u>	<u>36,692</u>
Accumulated amortisation			
At beginning of the financial year	29,277	-	29,277
Amortisation for the financial year (Note 27)	2,388	-	2,388
Transfer to a related company	(2,750)	-	(2,750)
At end of the financial year	<u>28,915</u>	<u>-</u>	<u>28,915</u>
Accumulated impairment loss			
At beginning of the financial year	726	111	837
Reclassification	111	(111)	-
Transfer to a related company	(102)	-	(102)
At end of the financial year	<u>735</u>	<u>-</u>	<u>735</u>
Carrying amount			
At end of the financial year	<u>3,978</u>	<u>3,064</u>	<u>7,042</u>
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	<u>33,395</u>	<u>2,384</u>	<u>35,779</u>
Accumulated amortisation			
At beginning of the financial year	28,471	-	28,471
Amortisation for the financial year (Note 27)	806	-	806
At end of the financial year	<u>29,277</u>	<u>-</u>	<u>29,277</u>
Accumulated impairment loss			
At beginning of the financial year	663	523	1,186
Writeback of impairment for the financial year (Note 30)	(349)	-	(349)
Reclassification	412	(412)	-
At end of the financial year	<u>726</u>	<u>111</u>	<u>837</u>
Carrying amount			
At end of the financial year	<u>3,392</u>	<u>2,273</u>	<u>5,665</u>

18. INTANGIBLE ASSETS (CONT'D.)

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

Bank 2026	Computer software RM'000	WIP for computer software RM'000	Total RM'000
Cost			
At beginning of the financial year	23,408	1,655	25,063
Additions	717	1,725	2,442
Reclassification	1,948	(1,948)	-
Transfer to a related company	(2,872)	-	(2,872)
At end of the financial year	<u>23,201</u>	<u>1,432</u>	<u>24,633</u>
Accumulated amortisation			
At beginning of the financial year	20,156	-	20,156
Amortisation for the financial year (Note 27)	1,842	-	1,842
Transfer to a related company	(2,750)	-	(2,750)
At end of the financial year	<u>19,248</u>	<u>-</u>	<u>19,248</u>
Accumulated impairment loss			
At beginning of the financial year	598	111	709
Reclassification	111	(111)	-
Transfer to a related company	(102)	-	(102)
At end of the financial year	<u>607</u>	<u>-</u>	<u>607</u>
Carrying amount			
At end of the financial year	<u>3,346</u>	<u>1,432</u>	<u>4,778</u>
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	<u>23,408</u>	<u>1,655</u>	<u>25,063</u>
Accumulated amortisation			
At beginning of the financial year	19,670	-	19,670
Amortisation for the financial year (Note 27)	486	-	486
At end of the financial year	<u>20,156</u>	<u>-</u>	<u>20,156</u>
Accumulated impairment loss			
At beginning of the financial year	535	523	1,058
Writeback of impairment for the financial year (Note 30)	(349)	-	(349)
Reclassification	412	(412)	-
At end of the financial year	<u>598</u>	<u>111</u>	<u>709</u>
Carrying amount			
At end of the financial year	<u>2,654</u>	<u>1,544</u>	<u>4,198</u>

19. DEPOSITS AND PLACEMENTS OF A BANK

	Group and Bank	
	2026	2025
	RM'000	RM'000
Licensed bank, a related company (Note 34)	570,000	700,000

20. TRADE PAYABLES AND OTHER LIABILITIES

	Note	Group		Bank	
		2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Trade payables	(a)	555,457	778,475	555,457	778,475
Other payables and accruals		63,257	64,524	43,070	46,386
Interest payable	34	3,488	5,616	3,488	5,616
Provision for commitments and contingencies	(b)	1,009	120	120	120
Lease liabilities	(c)	4,384	1,567	4,384	1,567
Provision for reinstatement of leased premises	(c)	262	309	262	309
Amount due to holding company	(d), 34	-	6	-	-
Amount due to subsidiaries	(d), 34	-	-	38	-
Amount due to related companies	(d), 34	17,735	16,788	7,210	8,928
Provision for taxation		8,342	6,127	-	-
		<u>653,934</u>	<u>873,532</u>	<u>614,029</u>	<u>841,401</u>

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

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

	Group		Bank	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial year	120	146	120	146
Provision/(writeback) during the financial year	1,639	(26)	750	(26)
Payments	(750)	-	(750)	-
Balance at end of the financial year	<u>1,009</u>	<u>120</u>	<u>120</u>	<u>120</u>

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

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

Group and Bank 2026	Note	Lease liabilities RM'000	Provision for reinstatement of leased premises RM'000	Total RM'000
Balance at beginning of the financial year		1,567	309	1,876
Additions		4,663	-	4,663
Remeasurement		(1,153)	(47)	(1,200)
Termination		(5)	-	(5)
Finance cost charged during the financial year	27	46	-	46
Payments*		(734)	-	(734)
Balance at end of the financial year		<u>4,384</u>	<u>262</u>	<u>4,646</u>
2025				
Balance at beginning of the financial year		2,226	307	2,533
Finance cost charged during the financial year	27	61	2	63
Payments*		(720)	-	(720)
Balance at end of the financial year		<u>1,567</u>	<u>309</u>	<u>1,876</u>

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 RM12,082 and RM4,911 (2025: RM11,374 and RM5,916) respectively for low value assets.

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

* Inclusive of RM235,800 (2025: RM235,800) of payment of lease liabilities to related parties during the financial year.

20. 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	2026	2025
	RM'000	RM'000
Up to 1 month	63	60
>1 month to 3 months	126	120
>3 months to 6 months	188	180
>6 months to 12 months	377	164
>1 year to 5 years	2,129	943
Over 5 years	1,940	236
	4,823	1,703

- (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.

21. SHARE CAPITAL

	Number of ordinary shares		Group and Bank	
	Group and Bank		Group and Bank	
	2026	2025	2026	2025
	Units'000	Units'000	RM'000	RM'000
Issued and fully paid, at no par value:				
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.

22. RESERVES

	Note	Group		Bank	
		2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Capital reserve	(i)	2,815	2,815	-	-
Regulatory reserve	(ii)	10,670	10,759	10,670	10,759
Reorganisation reserve	(iii)	85,840	82,115	3,725	-
Fair value reserve	(iv)	1,710	1,755	1,710	1,755
Retained earnings	(v)	271,357	266,155	261,483	258,709
Total reserves		372,392	363,599	277,588	271,223

22. 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) Reorganisation reserve represents reserve arising from the acquisition of certain subsidiaries which was accounted for using the merger accounting method in prior years. The increase in current financial year relates to Private Banking business transferred to AmBank pursuant to the internal reorganisation exercise.
- (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.

23. INTEREST INCOME

	Group		Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash, short-term funds and deposits and placements	16,333	29,297	14,860	27,714
Financial investments at FVOCI	1,273	2,575	1,273	2,575
Financial investment at amortised cost	3,127	3,128	3,127	3,128
Loans and advances	27,540	48,444	27,540	48,444
Impaired loans and advances	1,142	-	1,142	-
Others	2,928	3,129	2,928	3,129
	<u>52,343</u>	<u>86,573</u>	<u>50,870</u>	<u>84,990</u>

24. INTEREST EXPENSE

	Note	Group		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deposits and placements of a bank	34	20,309	43,647	20,309	43,647
Others		1,756	2,092	1,584	1,999
		<u>22,065</u>	<u>45,739</u>	<u>21,893</u>	<u>45,646</u>

25. OTHER OPERATING INCOME

	Note	Group		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Fee and commission income:					
Fee and commission income that are provided over time:					
Corporate advisory		15,279	19,221	15,279	19,221
Fees on loans and securities:					
Agency fees		3,334	3,180	3,334	3,180
Other loans and securities related fees		2,855	4,775	2,855	4,775
Portfolio management fees		49,575	48,264	181	856
Unit trust management fees		152,533	144,616	-	-
Wealth management fees		1,625	1,191	15,077	19,550
Fee and commission income from providing transaction services:					
Brokerage fees and commission		70,621	88,010	70,621	88,010
Corporate advisory		3,319	4,453	3,319	4,453
Fees on loans and securities:					
Arrangement and upfront fees		29,079	23,651	29,079	23,651
Other loans and securities related fees		4,847	6,397	4,847	6,397
Portfolio management fees		629	1,479	-	-
Underwriting commission		7,214	1,893	7,214	1,893
Wealth management fees		17,909	22,582	18,190	22,807
Unit trust service charges		22,104	11,152	-	-
Placement fees		16,041	17,028	16,041	17,028
Other fee and commission income		2,983	2,445	3,758	3,671
		<u>399,947</u>	<u>400,337</u>	<u>189,795</u>	<u>215,492</u>
Investment and trading income:					
Dividend income from:					
Subsidiaries		-	-	70,300	62,020
Financial investments at FVOCI	9	98	98	98	98
Gain on dissolution of subsidiaries		-	-	95	-
Net foreign exchange (loss)/gain		(741)	(51)	185	451
Net gain from sale of financial assets at FVTPL		3	6	3	6
		<u>(640)</u>	<u>53</u>	<u>70,681</u>	<u>62,575</u>
Other income:					
Net gain on disposal of property and equipment		7	-	7	-
Gain on lease remeasurement/termination		45	-	45	-
Rental income		2,686	2,293	2,691	2,298
Others		477	603	187	573
		<u>3,215</u>	<u>2,896</u>	<u>2,930</u>	<u>2,871</u>
		<u>402,522</u>	<u>403,286</u>	<u>263,406</u>	<u>280,938</u>

26. DIRECT COSTS

	Group		Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Brokerage commission	17,935	24,152	17,935	24,152
Unit trust commission	42,269	27,219	-	-
Other brokerage related costs	13,417	16,727	13,417	16,727
Others	10,203	5,409	10,203	5,409
	<u>83,824</u>	<u>73,507</u>	<u>41,555</u>	<u>46,288</u>

27. OTHER OPERATING EXPENSES

	Note	Group		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Personnel costs:					
Salaries, allowances and bonuses		94,191	112,155	58,991	77,331
Contributions to EPF/private retirement scheme		15,235	18,119	9,582	12,445
Scheme shares granted under AMMB ESS, charge		4,110	4,210	3,215	2,981
Social security costs		647	641	389	405
Others		10,917	11,479	7,564	7,543
		<u>125,100</u>	<u>146,604</u>	<u>79,741</u>	<u>100,705</u>
Establishment costs:					
Amortisation of intangible assets	18	2,388	806	1,842	486
Cleaning, maintenance and security		2,814	2,523	2,612	2,414
Computerisation costs		18,293	16,490	16,970	15,327
Depreciation of property and equipment	16	1,638	1,700	1,244	1,549
Depreciation of right-of-use assets	17	670	672	670	672
Finance costs:					
Interest on lease liabilities	20(c)	46	61	46	61
Provision for reinstatement of leased premises	20(c)	-	2	-	2
Rental of premises		5,715	5,330	4,292	4,049
Others		511	623	471	570
		<u>32,075</u>	<u>28,207</u>	<u>28,147</u>	<u>25,130</u>
Marketing and communication expenses:					
Advertising, promotional and other marketing activities		857	727	577	426
Sales commission		22	28	22	28
Travelling and entertainment		1,154	1,521	951	1,288
Communication and other expenses		2,238	2,997	1,438	1,945
		<u>4,271</u>	<u>5,273</u>	<u>2,988</u>	<u>3,687</u>
Administration and general expenses:					
Professional services		12,924	14,591	2,414	3,227
Travelling		265	219	256	219
Subscription and periodicals		8,562	8,959	2,029	1,882
Others		5,737	5,942	4,840	4,998
		<u>27,488</u>	<u>29,711</u>	<u>9,539</u>	<u>10,326</u>
Service transfer pricing, net	34	37,987	36,632	31,904	31,263
		<u>226,921</u>	<u>246,427</u>	<u>152,319</u>	<u>171,111</u>

Included in other operating expenses are the following:

		Group		Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Directors' remuneration	28	1,508	1,805	1,408	1,614
Auditors' remuneration:					
Parent auditor:					
Audit		278	265	189	180
Regulatory and assurance related		77	74	77	74
Other services		-	97	-	97
		<u>-</u>	<u>97</u>	<u>-</u>	<u>97</u>

28. 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	Fees	Salary	Bonus ¹	Long Term	Other	Benefits-	Total
				Incentive ("LTI") ¹			
2026	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
CEO:							
CEO: Christopher Ng Kok Wai ³	-	1,185	755	600	453	39	3,032
Previous CEO:							
Tracy Chen Wee Keng ⁴	-	181	-	244	291	23	739
	<u>-</u>	<u>1,366</u>	<u>755</u>	<u>844</u>	<u>744</u>	<u>62</u>	<u>3,771</u>
Non-Executive Directors:							
Jeyaratnam a/l Tamotharam Pillai	160	-	-	-	203	18	381
Lum Sing Fai	150	-	-	-	65	6	221
Chee Li Har	240	-	-	-	104	12	356
Dato' Kong Sooi Lin	150	-	-	-	86	10	246
En Mohammed Rafidz bin Ahmed Rasiddi ⁵	8	-	-	-	3	-	11
Ramesh Pillai ⁶	116	-	-	-	53	14	183
Datin Hayati Aman binti Hashim ⁷	59	-	-	-	27	19	105
	<u>883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>541</u>	<u>79</u>	<u>1,503</u>
Total CEO's and Directors' remuneration	<u>883</u>	<u>1,366</u>	<u>755</u>	<u>844</u>	<u>1,285</u>	<u>141</u>	<u>5,274</u>
	Fees	Salary	Bonus ¹	LTI ¹	Other	Benefits-	Total
2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Previous 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 ⁸	39	-	-	-	15	12	66
	<u>1,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>596</u>	<u>87</u>	<u>1,805</u>
Total CEO's and Directors' remuneration	<u>1,122</u>	<u>1,500</u>	<u>1,568</u>	<u>757</u>	<u>1,330</u>	<u>101</u>	<u>6,378</u>

Notes:

¹ The bonus and LTI have been duly approved by AMMB Group's Board of Directors ("BOD"). 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 previous CEO received RM1,164,336 (2025: RM773,120) in shares in relation to the LTI vesting.

² Include statutory contributions and allowances.

³ Appointed on 15 May 2025.

⁴ Retired on 14 May 2025.

⁵ Appointed on 13 March 2026.

⁶ Retired on 9 January 2026.

⁷ Retired on 21 August 2025.

⁸ Resigned on 4 July 2024.

28. 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	Fees	Salary	Bonus ¹	LTI ¹	Other Emoluments ²	Benefits-in-kind	Total
2026	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
CEO: Christopher Ng Kok Wai ³	-	1,185	755	600	453	39	3,032
Previous CEO:							
Tracy Chen Wee Keng ⁴	-	181	-	244	291	23	739
	<u>-</u>	<u>1,366</u>	<u>755</u>	<u>844</u>	<u>744</u>	<u>62</u>	<u>3,771</u>
Non-Executive Directors:							
Jeyaratnam a/l Tamotharam Pillai	160	-	-	-	203	18	381
Lum Sing Fai	150	-	-	-	65	6	221
Chee Li Har	150	-	-	-	95	11	256
Dato' Kong Sooi Lin	150	-	-	-	86	10	246
En Mohammed Rafidz bin Ahmed Rasiddi ⁵	8	-	-	-	3	-	11
Ramesh Pillai ⁶	116	-	-	-	53	14	183
Datin Hayati Aman binti Hashim ⁷	59	-	-	-	27	19	105
	<u>793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>532</u>	<u>78</u>	<u>1,403</u>
Total CEO's and Directors' remuneration	<u>793</u>	<u>1,366</u>	<u>755</u>	<u>844</u>	<u>1,276</u>	<u>140</u>	<u>5,174</u>
2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Previous 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 ⁸	39	-	-	-	15	12	66
	<u>949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>580</u>	<u>85</u>	<u>1,614</u>
Total CEO's and Directors' remuneration	<u>949</u>	<u>1,500</u>	<u>1,568</u>	<u>757</u>	<u>1,314</u>	<u>99</u>	<u>6,187</u>

Notes:

¹ The bonus and LTI have been duly approved by AMMB Group's BOD. 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 previous CEO received RM1,164,336 (2025: RM773,120) in shares in relation to the LTI vesting.

² Include statutory contributions and allowances.

³ Appointed on 15 May 2025.

⁴ Retired on 14 May 2025.

⁵ Appointed on 13 March 2026.

⁶ Retired on 9 January 2026.

⁷ Retired on 21 August 2025.

⁸ Resigned on 4 July 2024.

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

	Group and Bank	
	2026	2025
	RM'000	RM'000
(Allowances for)/writeback of impairment on loans and advances (Note 11(g))	(818)	2,548
Impaired loans and advances recovered, net	7	-
	<u>(811)</u>	<u>2,548</u>

30. WRITEBACK OF IMPAIRMENT ON OTHER ASSETS

		Group		Bank	
	Note	2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Financial assets:					
Trade receivables and other assets	15(c)	1,025	2,998	1,025	2,993
Non-financial assets:					
Computer software	18(b)	-	349	-	349

31. TAXATION

		Group		Bank	
		2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Current tax:					
Estimated tax payable		20,104	17,813	27	-
Over provision of taxation in respect of prior financial years		(38)	(1,993)	-	-
		<u>20,066</u>	<u>15,820</u>	<u>27</u>	<u>-</u>
Deferred tax (Note 13):					
Relating to origination and reversal of temporary differences		7,750	12,213	7,638	11,970
Over provision of deferred tax in prior financial years		(229)	(72)	(307)	(77)
		<u>7,521</u>	<u>12,141</u>	<u>7,331</u>	<u>11,893</u>
Taxation		<u>27,587</u>	<u>27,961</u>	<u>7,358</u>	<u>11,893</u>

Domestic income tax is calculated at the statutory tax rate of 24% (2025: 24%) on the estimated chargeable profit for the financial year.

31. 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	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	120,630	130,107	97,973	108,799
Taxation at Malaysian statutory tax rate of 24% (2025: 24%)	28,951	31,226	23,514	26,112
Income not subject to tax	(2,528)	(2,259)	(16,918)	(14,908)
Expenses not deductible for tax purposes	1,431	1,059	1,069	766
Over provision of current tax in prior financial years	(38)	(1,993)	-	-
Over provision of deferred tax in prior financial years	(229)	(72)	(307)	(77)
Taxation	27,587	27,961	7,358	11,893

32. BASIC/DILUTED EARNINGS PER SHARE

	Group	
	2026	2025
Net profit attributable to shareholder of the Bank (RM'000)	93,043	102,146
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)	29.6	32.5

33. DIVIDENDS

	Group and Bank	
	2026	2025
	RM'000	RM'000
Recognised during the financial year:		
In respect of financial year ended 31 March 2026		
Interim single-tier dividend declared of 7.4 sen per ordinary share on 314,035,088 ordinary shares	23,239	-
In respect of financial year ended 31 March 2025		
Interim single-tier dividend declared of 10.3 sen per ordinary share on 314,035,088 ordinary shares	-	32,346
Final single-tier dividend declared of 20.6 per ordinary share on 314,035,088 ordinary shares	64,691	-
	64,691	32,346
Proposed but not recognised as a liability:		
Final single-tier dividend declared of 21.4 sen per ordinary share on 314,035,088 ordinary shares	67,204	-

The financial statements for the current financial year do not reflect the proposed dividend in respect of the financial year ended 31 March 2026 and will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2027.

34. 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, certain members of the senior management of the Group and of the Bank (including close members of their families), and the CEO of the Bank.

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

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

All related party transactions are conducted on normal commercial terms which are no more favourable than those generally available to the public.

34. 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:

Group	Holding company		Related companies		Associates and joint ventures	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Income						
Interest on deposit and placements	-	-	6,037	13,913	-	-
Fee income	-	-	-	505	-	-
Rental income	-	-	2,174	2,188	-	-
	-	-	8,211	16,606	-	-
Expenses						
Interest on deposits and placements (Note 24)	-	-	20,309	43,647	-	-
Rental of premises	-	-	5,966	6,345	236	236
Service transfer pricing, net (Note 27)	-	-	37,987	36,632	-	-
Insurance premiums	-	-	-	-	3,313	2,863
Depreciation of right-of-use assets	-	-	-	-	194	194
Finance cost for lease liabilities	-	-	-	-	39	46
	-	-	64,262	86,624	3,782	3,339

34. 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.):

Group	Holding company		Related companies		Associates and joint ventures	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Assets						
Cash and short-term funds	-	-	267,374	323,261	-	-
Deposits and placements with a Bank (Note 7)	-	-	130,000	-	-	-
Interest receivables	-	-	178	25	-	-
Amount due from related companies (Note 15)	-	97	300	329	-	-
Right-of-use assets	-	-	-	-	972	1,167
	-	97	397,852	323,615	972	1,167
Liabilities						
Deposits and placements of a bank (Note 19)	-	-	570,000	700,000	-	-
Interest payable (Note 20)	-	-	3,488	5,616	-	-
Amount due to related companies (Note 20)	-	6	17,735	16,788	-	-
Derivative financial liabilities (Note 8)	-	-	-	1	-	-
Lease liabilities	-	-	-	-	1,085	1,282
	-	6	591,223	722,405	1,085	1,282
Commitment and contingencies						
Contract/notional amount for derivatives	-	-	51	501	-	-

34. 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	
	2026	2025	2026	2025	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank								
Income								
Interest on deposit and placements	-	-	4,564	12,330	-	-	-	-
Fee income	-	-	-	505	16,806	18,584	-	-
Rental income	-	-	2,174	2,188	5	5	-	-
Service transfer pricing (Note 27)	-	-	-	-	80	77	-	-
	-	-	6,738	15,023	16,891	18,666	-	-
Expenses								
Interest on deposits and placements (Note 24)	-	-	20,309	43,647	-	-	-	-
Rental of premises	-	-	4,543	5,065	-	-	236	236
Service transfer pricing (Note 27)	-	-	31,984	31,340	-	-	-	-
Insurance premiums	-	-	-	-	-	-	2,147	1,926
Depreciation of right-of-use assets	-	-	-	-	-	-	194	194
Finance cost for lease liabilities	-	-	-	-	-	-	39	46
	-	-	56,836	80,052	-	-	2,616	2,402

34. 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	
	2026	2025	2026	2025	2026	2025	2026	2025
Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Cash and short-term funds	-	-	160,211	219,320	-	-	-	-
Deposits and placements with a Bank (Note 7)	-	-	130,000	-	-	-	-	-
Interest receivables	-	-	178	25	-	-	-	-
Amount due from related companies (Note 15)	-	91	300	324	2,969	4,324	-	-
Right-of-use assets	-	-	-	-	-	-	972	1,167
	-	91	290,689	219,669	2,969	4,324	972	1,167
Liabilities								
Deposits and placements of a bank (Note 19)	-	-	570,000	700,000	-	-	-	-
Interest payable (Note 20)	-	-	3,488	5,616	-	-	-	-
Amount due to related companies (Note 20)	-	-	7,210	8,928	38	-	-	-
Derivative financial liabilities (Note 8)	-	-	-	1	-	-	-	-
Lease liabilities	-	-	-	-	-	-	1,085	1,282
	-	-	580,698	714,545	38	-	1,085	1,282
Commitment and contingencies								
Contract/notional amount for derivatives	-	-	51	501	-	-	-	-

34. 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 28. The remuneration of other KMP of RM187,200 (2025: RM264,000) was charged to the Group and the Bank via service transfer pricing expenses.

35. 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.

35. 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	
	2026	2025
Outstanding credit exposure with connected parties (RM'000)	6,193	371
Percentage of outstanding credit exposure to connected parties as proportion of total credit exposures (%)	1.45	0.06

36. 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 2026 amounted to RM56,336,664,592 (2025: RM62,971,256,320) and RM Nil (2025: RM10,812,312,342) respectively.

37. CAPITAL COMMITMENTS

	Group		Bank	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Authorised and contracted for:				
Purchase of office equipment, information technology equipment and solutions	2,212	286	640	98
Authorised but not contracted for:				
Purchase of office equipment, information technology equipment and solutions	14,305	2,512	14,305	2,512
Total capital commitments	16,517	2,798	14,945	2,610

38. 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	
	2026	2025
	RM'000	RM'000
Commitments		
Other commitments, such as formal standby facilities and credit lines with an original maturity of up to one year	147,564	198,763
Contingencies		
Obligations under an on-going underwriting agreement	-	13,862
Derivative Financial Instruments		
Foreign exchange related contracts:		
- One year or less	51	501
Total	147,615	213,126

39. 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	
	2026	2025
	RM'000	RM'000
Clients' trust balances and dealers' representative balances	534,815	576,958
Remisiers' trust balances	31,252	31,101
	566,067	608,059

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

	Group	
	2026	2025
	RM'000	RM'000
Monies in trust in relation to the fund management business	16,337	31,535

40. 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 2026	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	495,718	-	495,718
Deposits and placements with a bank	130,000	-	130,000
Financial investments at FVOCI	-	33,117	33,117
Financial investment at amortised cost	-	75,000	75,000
Loans and advances	389,883	102	389,985
Statutory deposit with Bank Negara Malaysia	-	2,100	2,100
Deferred tax assets	-	25,045	25,045
Trade receivables and other assets	707,841	3,240	711,081
Property and equipment	-	16,548	16,548
Right-of-use assets	-	4,248	4,248
Intangible assets	-	43,484	43,484
TOTAL ASSETS	1,723,442	202,884	1,926,326
LIABILITIES			
Deposits and placements of a bank	570,000	-	570,000
Trade payables and other liabilities	648,896	5,038	653,934
TOTAL LIABILITIES	1,218,896	5,038	1,223,934

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

40. 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 2026	Up to 12 months RM'000	Over 12 months RM'000	Total RM'000
ASSETS			
Cash and short-term funds	387,287	-	387,287
Deposits and placements with a bank	130,000	-	130,000
Financial investments at FVOCI	-	33,117	33,117
Financial investment at amortised cost	-	75,000	75,000
Loans and advances	389,883	102	389,985
Statutory deposit with Bank Negara Malaysia	-	2,100	2,100
Deferred tax assets	-	21,655	21,655
Investments in subsidiaries	-	49,809	49,809
Trade receivables and other assets	676,320	2,748	679,068
Property and equipment	-	14,570	14,570
Right-of-use assets	-	4,248	4,248
Intangible assets	-	4,778	4,778
TOTAL ASSETS	1,583,490	208,127	1,791,617
LIABILITIES			
Deposits and placements of a bank	570,000	-	570,000
Trade payables and other liabilities	608,991	5,038	614,029
TOTAL LIABILITIES	1,178,991	5,038	1,184,029

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

41. 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.

41. CAPITAL MANAGEMENT (CONT'D.)

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, Capital Adequacy Framework (Basel II - Risk Weighted Assets) issued on 18 December 2023, Capital Adequacy Framework (Operational Risk) and Capital Adequacy Framework (Exposures to Central Counterparties) issued on 15 December 2023.

Pursuant to the BNM's policy document on Capital Adequacy Framework (Capital Components), financial institution is required to maintain minimum Common Equity Tier 1 ("CET1") Capital Ratio of 4.5%, Tier 1 Capital Ratio of 6.0% and Total Capital Ratio of 8.0% at all times. In addition, a financial institution is 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) The capital adequacy ratios of the Group and the Bank are as follows:

	Group		Bank	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Before deducting proposed dividends:				
CET1 Capital Ratio	48.441%	45.026%	50.428%	45.121%
Tier 1 Capital Ratio	48.441%	45.026%	50.428%	45.121%
Total Capital Ratio	49.044%	45.672%	51.112%	45.858%
After deducting proposed dividends:				
CET1 Capital Ratio	43.206%	40.228%	43.903%	39.357%
Tier 1 Capital Ratio	43.206%	40.228%	43.903%	39.357%
Total Capital Ratio	43.810%	40.874%	44.588%	40.093%

41. CAPITAL MANAGEMENT (CONT'D.)

- (b) 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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CET1 Capital/Tier 1 Capital				
Ordinary shares	330,000	330,000	330,000	330,000
Retained earnings	271,357	266,155	261,483	258,709
Fair value reserve	1,710	1,755	1,710	1,755
Regulatory reserve	10,670	10,759	10,670	10,759
Capital reserve	2,815	2,815	-	-
Reorganisation reserve	85,840	82,115	3,725	-
Less: Regulatory adjustments applied on CET1 Capital:				
- Goodwill	(36,442)	(36,442)	-	-
- Other intangible assets	(7,042)	(5,665)	(4,778)	(4,198)
- Deferred tax assets	(25,367)	(32,727)	(21,977)	(29,147)
- 55% of fair value reserve	(940)	(965)	(940)	(965)
- Regulatory reserve	(10,670)	(10,759)	(10,670)	(10,759)
- Investments in capital instruments of unconsolidated financial entities	-	-	(49,809)	(49,809)
CET1 Capital/Tier 1 Capital	621,931	607,041	519,414	506,345
Tier 2 Capital				
General provisions*	7,743	8,709	7,047	8,264
Tier 2 Capital	7,743	8,709	7,047	8,264
Total Capital	629,674	615,750	526,461	514,609

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

	Group		Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Credit RWA	565,356	639,911	509,681	604,346
Exposures to Central Counterparties RWA	54,096	56,810	54,096	56,810
Market RWA	16,411	34,304	12,430	22,450
Operational RWA	648,037	617,163	453,808	438,581
Total RWA	1,283,900	1,348,188	1,030,015	1,122,187

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

42. RISK MANAGEMENT

42.1 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/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, Sustainability Risk and Technology and Cyber 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 ROE of $\geq 10\%$, (2) Sharpening Segment Play, (3) Holistic Customer Value Proposition ("CVP") Leveraging A Collaboration Culture and Partnerships, (4) Pushing Capital-Light Revenue, (5) Ramping Up the Next Wave of Digital Initiatives, (6) Future Proofing The Workforce, (7) Integrating Environmental, Social, and Governance ("ESG") Considerations and (8) The Digital Bank.

1. 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 level) above the prevailing regulatory minimum (effective from July 2020).

42. RISK MANAGEMENT (CONT'D.)

42.1 GENERAL RISK MANAGEMENT (CONT'D.)

AmInvestment Bank Risk Direction (Cont'd.)

5. The Bank aims to maintain adequate controls for all key operational risks (including but not limited to regulatory, compliance, technology, conduct and reputational risks).
 - Keep the overall financial losses (operational losses, regulatory penalties and fraud losses) below 0.8% of Profit After Taxation and Minority Interest ("PATMI"); and
 - Remains vigilant in risk identification and management to protect its reputation and business franchise.
6. The Bank aims to maintain adequate controls for all Shariah Non-Compliance ("SNC") risks, with zero tolerance to SNC.
7. The Bank to manage the non-climate supporting and transition exposures of the climate sensitive sectors within 15% by financial year 2027 (Short Term) and 10% by financial year 2030 (Medium Term) of non-retail financing/investment exposures.
8. 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 and fraud risk, technology and cyber risk.

The Board has also established 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 and fraud risk, technology and cyber 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, fraud, reputational, security, technology and cyber, 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 subsidiaries to facilitate suitable escalation of issues of concern across the organisation.

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT

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

Identification	<ul style="list-style-type: none"> • Identify/recognise credit risk on transactions and/or positions • Select asset and portfolio mix
Assessment/ Measurement	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Portfolio Limits, Counterparty Limits • Non-Retail Pricing • Collateral and tailored facility structures
Monitoring/ Review	<ul style="list-style-type: none"> • Monitor and report portfolio mix • Review Classified Accounts • Review Rescheduled and Restructured Accounts • Undertake independent 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 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.

42. RISK MANAGEMENT (CONT'D.)

42.2 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"), Investment Banking ("IB"), Group Wealth Management ("GWM") 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 significant increase in credit risk or show symptoms of potential credit issues; and
- 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.

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.1a 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
2026																
Cash and short-term funds	-	-	-	-	-	-	-	402,098	93,620	-	-	-	-	-	-	495,718
Deposits and placements with a bank	-	-	-	-	-	-	-	130,000	-	-	-	-	-	-	-	130,000
Financial investments at FVOCI <i>Money Market Securities</i>	-	-	-	-	-	-	-	-	30,372	-	-	-	-	-	-	30,372
Financial investment at amortised cost <i>Unquoted Corporate Bond</i>	-	-	-	-	75,000	-	-	-	-	-	-	-	-	-	-	75,000
Loans and advances	336	7	4,624	-	-	5,797	3,064	-	-	1,426	163	9,730	372,841	-	(8,003)	389,985
Trade receivables and other financial assets	-	25	2,330	158	636	76	10,584	340,384	552	474	29,909	1,437	242,930	64,207	(10,237)	683,465
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-	2,100	-	-	-	-	-	-	2,100
Total financial assets	336	32	6,954	158	75,636	5,873	13,648	872,482	126,644	1,900	30,072	11,167	615,771	64,207	(18,240)	1,806,640
Commitments																
Irrevocable commitments to extend credit	-	-	-	-	-	-	-	-	-	-	-	10,382	137,182	-	-	147,564

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.1a 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
2025																
Cash and short-term funds	-	-	-	-	-	-	-	367,449	166,692	-	-	-	-	-	-	534,141
Financial investments at FVOCI																
<i>Money Market Securities</i>	-	-	-	-	-	-	-	-	30,336	-	-	-	-	-	-	30,336
Financial investment at amortised cost																
<i>Unquoted Corporate Bond</i>	-	-	-	-	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	128,130	266,563	(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	703,491	266,563	(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

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.1a 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
2026																
Cash and short-term funds	-	-	-	-	-	-	-	293,667	93,620	-	-	-	-	-	-	387,287
Deposits and placements with a bank	-	-	-	-	-	-	-	130,000	-	-	-	-	-	-	-	130,000
Financial investments at FVOCI <i>Money Market Securities</i>	-	-	-	-	-	-	-	-	30,372	-	-	-	-	-	-	30,372
Financial investment at amortised cost <i>Unquoted Corporate Bond</i>	-	-	-	-	75,000	-	-	-	-	-	-	-	-	-	-	75,000
Loans and advances	336	7	4,624	-	-	5,797	3,064	-	-	1,426	163	9,730	372,841	-	(8,003)	389,985
Trade receivables and other financial assets	-	25	2,330	158	636	76	10,584	309,945	552	474	29,909	1,437	242,930	64,207	(9,941)	653,322
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-	2,100	-	-	-	-	-	-	2,100
Total financial assets	336	32	6,954	158	75,636	5,873	13,648	733,612	126,644	1,900	30,072	11,167	615,771	64,207	(17,944)	1,668,066
Commitments																
Irrevocable commitments to extend credit	-	-	-	-	-	-	-	-	-	-	-	10,382	137,182	-	-	147,564

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.1a 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																
<i>Money Market Securities</i>	-	-	-	-	-	-	-	-	30,336	-	-	-	-	-	-	30,336
Financial investment at amortised cost																
<i>Unquoted Corporate Bond</i>	-	-	-	-	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	128,130	266,563	(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	703,491	266,563	(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

42. RISK MANAGEMENT (CONT'D.)**42.2 CREDIT RISK MANAGEMENT (CONT'D.)****42.2.1b Geographical Analysis**

Group	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2026			
Cash and short-term funds	493,556	2,162	495,718
Deposits and placements with a bank	130,000	-	130,000
Financial investments at FVOCI <i>Money Market Securities</i>	30,372	-	30,372
Financial investment at amortised cost <i>Unquoted Corporate Bond</i>	75,000	-	75,000
Loans and advances	397,988	-	397,988
<i>Less: Allowances for ECL</i>	(8,003)	-	(8,003)
Total loans and advances	389,985	-	389,985
Trade receivables and other financial assets	636,368	57,334	693,702
<i>Less: Allowances for ECL</i>	(10,237)	-	(10,237)
Total trade receivables and other financial assets	626,131	57,334	683,465
Statutory deposit with Bank Negara Malaysia	2,100	-	2,100
Total financial assets	1,747,144	59,496	1,806,640
Commitments			
Irrevocable commitments to extend credit	147,564	-	147,564

42. RISK MANAGEMENT (CONT'D.)**42.2 CREDIT RISK MANAGEMENT (CONT'D.)****42.2.1b Geographical Analysis (Cont'd.)**

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			
<i>Money Market Securities</i>	30,336	-	30,336
Financial investment at amortised cost			
<i>Unquoted Corporate Bond</i>	75,000	-	75,000
Loans and advances	614,298	-	614,298
<i>Less: Allowances for ECL</i>	(9,170)	-	(9,170)
Total loans and advances	605,128	-	605,128
Trade receivables and other financial assets	871,012	6	871,018
<i>Less: Allowances for ECL</i>	(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

42. RISK MANAGEMENT (CONT'D.)**42.2 CREDIT RISK MANAGEMENT (CONT'D.)****42.2.1b Geographical Analysis (Cont'd.)**

Bank	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2026			
Cash and short-term funds	385,125	2,162	387,287
Deposits and placements with a bank	130,000	-	130,000
Financial investments at FVOCI <i>Money Market Securities</i>	30,372	-	30,372
Financial investment at amortised cost <i>Unquoted Corporate Bond</i>	75,000	-	75,000
Loans and advances	397,988	-	397,988
<i>Less: Allowances for ECL</i>	<u>(8,003)</u>	<u>-</u>	<u>(8,003)</u>
Total loans and advances	389,985	-	389,985
Trade receivables and other financial assets	605,929	57,334	663,263
<i>Less: Allowances for ECL</i>	<u>(9,941)</u>	<u>-</u>	<u>(9,941)</u>
Total trade receivables and other financial assets	595,988	57,334	653,322
Statutory deposit with Bank Negara Malaysia	2,100	-	2,100
Total financial assets	<u>1,608,570</u>	<u>59,496</u>	<u>1,668,066</u>
Commitments			
Irrevocable commitments to extend credit	<u>147,564</u>	<u>-</u>	<u>147,564</u>

42. RISK MANAGEMENT (CONT'D.)**42.2 CREDIT RISK MANAGEMENT (CONT'D.)****42.2.1b 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			
<i>Money Market Securities</i>	30,336	-	30,336
Financial investment at amortised cost			
<i>Unquoted Corporate Bond</i>	75,000	-	75,000
Loans and advances	614,298	-	614,298
<i>Less: Allowances for ECL</i>	(9,170)	-	(9,170)
Total loans and advances	605,128	-	605,128
Trade receivables and other financial assets	841,524	6	841,530
<i>Less: Allowances for ECL</i>	(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

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.2 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.

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.3 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	<p>Highest rating, for exceptionally strong government institutions and a small number of very large multinational institutional clients. The key characteristics are:-</p> <ul style="list-style-type: none"> 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	<p>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:-</p> <ul style="list-style-type: none"> 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	<p>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:-</p> <ul style="list-style-type: none"> 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	<p>Counterparties demonstrate adequate medium-term operational and financial stability. Protection factors are considered sufficient for prudent investment. The key characteristics are:-</p> <ul style="list-style-type: none"> 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.

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.3 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.

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.4 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.

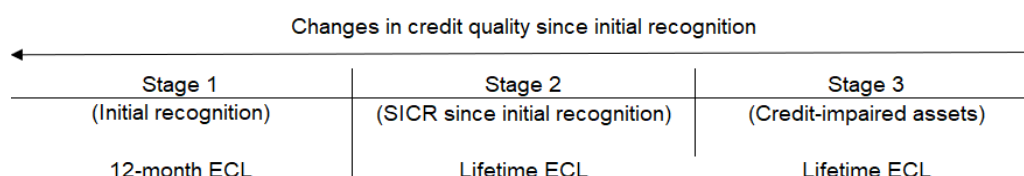
42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.4 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):



ECL can be assessed individually or collectively. Financial assets that are not individually significant or not individually credit impaired are collectively assessed. For financial assets that are individually significant, an assessment is performed to determine whether objective evidence of impairment exists individually.

Individual assessment is divided into two main processes - trigger assessment and measurement of impairment loss. Financial assets which are triggered by the impairment triggers will be measured for evidence of high likelihood of impairment, i.e. estimated recoveries (based on the discounted cash flow projection method and taking into account economic conditions) is less than carrying value.

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below.

Significant increase in credit risk ("SICR")

The Group considers a financial instrument to have experienced a SICR when it is more than 30 days past due on its contractual payments or when a quantitative and qualitative analysis, based on the Group's historical experience, expert credit assessment and forward-looking information indicates as such. The requirement is to calculate remaining Lifetime ECL at the reporting date when the financial instrument experienced SICR, compared to 12-month ECL calculation when exposure was initially recognised.

(i) Quantitative

Each exposure is allocated to a credit risk grade at initial recognition based on a variety of data that is determined to be predictive of the risk of default and experienced credit judgement about the borrower. Factors determining credit risk grades vary depending on nature of exposures and type of borrowers. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. There are 4 risk bands i.e. low risk, medium risk, high risk and very high risk whereby movements to a poorer band may result in SICR.

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.4 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 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.

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.4 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; or
- 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.

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.4 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 Consumer Price Index, GDP growth, House Price Index, foreign exchange (USD/MYR) and Brent Crude Oil price.

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

Key variables/assumptions for ECL calculations

The recognition and measurement of ECL is highly complex and involves the use of significant judgement and estimation. This 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 2026 and 31 March 2025.

31 March 2026

Macroeconomy Variable List	Forward-Looking Scenario	Assigned Probabilities (%)	2026	2027	2028	2029	2030
Consumer Price Index (%)	Base	60%	1.78	2.15	1.86	1.78	1.74
	Optimistic	0%	2.06	2.42	2.10	2.01	1.96
	Pessimistic	40%	1.51	1.83	1.58	1.51	1.48
GDP Growth (%)	Base	60%	4.55	4.63	5.00	5.20	5.10
	Optimistic	0%	5.00	5.09	5.50	5.72	5.61
	Pessimistic	40%	3.87	3.94	4.25	4.42	4.33
House Price Index (%)	Base	60%	1.46	2.30	2.99	3.28	3.09
	Optimistic	0%	2.07	3.01	3.72	4.06	3.82
	Pessimistic	40%	0.95	1.80	2.34	2.79	2.62
USD/MYR Exchange Rate	Base	60%	4.00	4.05	4.19	4.20	4.20
	Optimistic	0%	3.40	3.44	3.56	3.57	3.57
	Pessimistic	40%	4.40	4.45	4.61	4.62	4.62
Brent Crude Oil Price (USD/barrel)	Base	60%	63.34	64.71	65.25	65.38	65.38
	Optimistic	0%	69.67	71.18	71.77	71.92	71.92
	Pessimistic	40%	53.84	55.00	55.46	55.57	55.57

(Yearly values = average of forecasted quarterly values).

42. RISK MANAGEMENT (CONT'D.)**42.2 CREDIT RISK MANAGEMENT (CONT'D.)****42.2.4 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 2026 and 31 March 2025 (Cont'd.).

31 March 2025

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

(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 2026 and 31 March 2025. 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.

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.4 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.

42. RISK MANAGEMENT (CONT'D.)**42.2 CREDIT RISK MANAGEMENT (CONT'D.)****42.2.5 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
2026				
Risk grade				
Very strong	280,472	15,170	-	295,642
Strong	4,624	-	-	4,624
Satisfactory	20,526	-	-	20,526
Moderate	58,520	-	-	58,520
Substandard	-	41	-	41
Impaired	-	-	18,635	18,635
Gross exposure	364,142	15,211	18,635	397,988
Less: Allowances for ECL	-	-	(8,003)	(8,003)
Net exposure	364,142	15,211	10,632	389,985

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

42. RISK MANAGEMENT (CONT'D.)**42.2 CREDIT RISK MANAGEMENT (CONT'D.)****42.2.5 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
2026			
Risk grade			
Exceptionally strong	899	-	899
Very strong	183,086	-	183,086
Strong	197,839	-	197,839
Satisfactory	7,315	-	7,315
Moderate	625	-	625
Substandard	19,963	-	19,963
Unrated	273,738	-	273,738
Impaired	-	10,237	10,237
Gross other financial assets	683,465	10,237	693,702
Less: Allowances for ECL	-	(10,237)	(10,237)
Net other financial assets	683,465	-	683,465

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

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.5 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
2026			
Risk grade			
Exceptionally strong	899	-	899
Very strong	152,955	-	152,955
Strong	197,839	-	197,839
Satisfactory	7,315	-	7,315
Moderate	625	-	625
Substandard	19,963	-	19,963
Unrated	273,726	-	273,726
Impaired	-	9,941	9,941
Gross other financial assets	653,322	9,941	663,263
Less: Allowances for ECL	-	(9,941)	(9,941)
Net other financial assets	653,322	-	653,322

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

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.5 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

	2026	2025
Stage 1 - 12-month ECL	RM'000	RM'000
Group		
Exceptionally strong	95,135	167,843
Very strong	400,583	366,298
Carrying amount	<u>495,718</u>	<u>534,141</u>
Bank		
Exceptionally strong	95,135	167,843
Very strong	292,152	262,871
Carrying amount	<u>387,287</u>	<u>430,714</u>

Deposits and placements with a bank

	Group and Bank	
	2026	2025
Stage 1 - 12-month ECL	RM'000	RM'000
Risk grade		
Very Strong	<u>130,000</u>	<u>-</u>

Financial investments at FVOCI

	Group and Bank	
	2026	2025
Stage 1 - 12-month ECL	RM'000	RM'000
Risk grade		
Exceptionally strong	<u>30,372</u>	<u>30,336</u>

Financial investment at amortised cost

	Group and Bank	
	2026	2025
Stage 1 - 12-month ECL	RM'000	RM'000
Risk grade		
Exceptionally strong	<u>75,000</u>	<u>75,000</u>

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.5 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	
	2026	2025
Stage 1 - 12-month ECL	RM'000	RM'000
Exceptionally strong	2,100	10,189

Loan commitments

Group and Bank	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL not credit-impaired	
	RM'000	RM'000	RM'000
2026			
Very strong	126,025	107	126,132
Satisfactory	16,326	-	16,326
Moderate	4,685	-	4,685
Substandard	421	-	421
Net exposure	147,457	107	147,564

Group and Bank	Stage 1	Stage 2	Total
	12-month ECL	Lifetime ECL not credit-impaired	
	RM'000	RM'000	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

42. RISK MANAGEMENT (CONT'D.)

42.2 CREDIT RISK MANAGEMENT (CONT'D.)

42.2.6 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	
	2026	2025	2026	2025	2026	2025
Group and Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share margin financing	397,841	612,337	389,838	603,168	8,003	9,169
Revolving credit	-	1,751	-	1,751	-	-
Staff loans	147	210	147	209	-	1
Total	397,988	614,298	389,985	605,128	8,003	9,170

42.2.7 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:

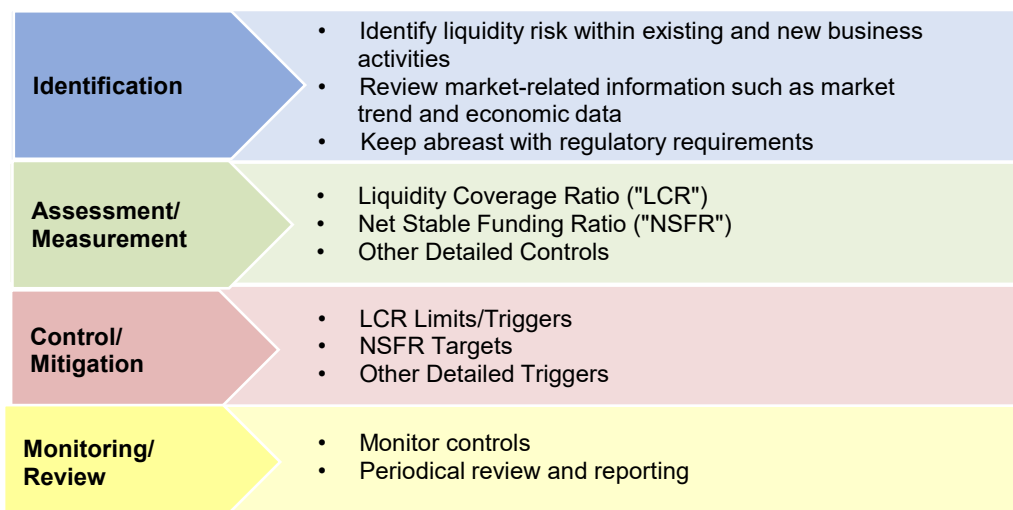
	Gross exposure		Impairment allowance		Carrying Amount		Fair value of collateral	
	2026	2025	2026	2025	2026	2025	2026	2025
Group and Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Share margin financing	18,635	19,889	8,003	9,169	10,632	10,720	24,414	35,316

42. RISK MANAGEMENT (CONT'D.)

42.3 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:



The liquidity risk management of the Bank is aligned to the Liquidity Risk policy document, 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, BNM NSFR and other Liquidity Ratios. Investment Banking and 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.

42. RISK MANAGEMENT (CONT'D.)**42.3 Liquidity Risk and Funding Management (Cont'd.)****42.3.1 Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document on Financial Reporting**

Group	Up to 1	>1 to 3	>3 to 6	>6 to 12	>1 to 5	Over	No maturity	Total
2026	month	months	months	months	years	5 years	specified	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets								
Cash and short-term funds	495,718	-	-	-	-	-	-	495,718
Deposits and placements with a bank	-	130,000	-	-	-	-	-	130,000
Financial investments at FVOCI	-	-	-	-	30,372	-	2,745	33,117
Financial investment at amortised cost	-	-	-	-	75,000	-	-	75,000
Loans and advances	389,883	-	-	-	102	-	-	389,985
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	2,100	-	2,100
Deferred tax assets	-	-	-	-	-	-	25,045	25,045
Trade receivables and other assets	637,464	46,673	2,029	21,675	3,240	-	-	711,081
Property and equipment	-	-	-	-	-	-	16,548	16,548
Right-of-use assets	-	-	-	-	-	-	4,248	4,248
Intangible assets	-	-	-	-	-	-	43,484	43,484
Total Assets	1,523,065	176,673	2,029	21,675	108,714	2,100	92,070	1,926,326
Liabilities								
Deposits and placements of a bank	150,000	270,000	150,000	-	-	-	-	570,000
Trade payables and other liabilities	590,571	30,197	6,229	21,899	3,147	1,891	-	653,934
Total Liabilities	740,571	300,197	156,229	21,899	3,147	1,891	-	1,223,934
Net Gap	782,494	(123,524)	(154,200)	(224)	105,567	209	92,070	702,392

42. RISK MANAGEMENT (CONT'D.)**42.3 Liquidity Risk and Funding Management (Cont'd.)****42.3.1 Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document on Financial Reporting (Cont'd.)**

Group 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

42. RISK MANAGEMENT (CONT'D.)**42.3 Liquidity Risk and Funding Management (Cont'd.)****42.3.1 Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document on Financial Reporting (Cont'd.)**

Bank 2026	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	387,287	-	-	-	-	-	-	387,287
Deposits and placements with a bank	-	130,000	-	-	-	-	-	130,000
Financial investments at FVOCI	-	-	-	-	30,372	-	2,745	33,117
Financial investment at amortised cost	-	-	-	-	75,000	-	-	75,000
Loans and advances	389,883	-	-	-	102	-	-	389,985
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	2,100	-	2,100
Deferred tax assets	-	-	-	-	-	-	21,655	21,655
Investment in subsidiaries	-	-	-	-	-	-	49,809	49,809
Trade receivables and other assets	640,430	12,186	2,029	21,675	2,748	-	-	679,068
Property and equipment	-	-	-	-	-	-	14,570	14,570
Right-of-use assets	-	-	-	-	-	-	4,248	4,248
Intangible assets	-	-	-	-	-	-	4,778	4,778
Total Assets	1,417,600	142,186	2,029	21,675	108,222	2,100	97,805	1,791,617
Liabilities								
Deposits and placements of a bank	150,000	270,000	150,000	-	-	-	-	570,000
Trade payables and other liabilities	579,600	2,152	5,340	21,899	3,147	1,891	-	614,029
Total Liabilities	729,600	272,152	155,340	21,899	3,147	1,891	-	1,184,029
Net Gap	688,000	(129,966)	(153,311)	(224)	105,075	209	97,805	607,588

42. RISK MANAGEMENT (CONT'D.)**42.3 Liquidity Risk and Funding Management (Cont'd.)****42.3.1 Analysis of Assets and Liabilities By Remaining Contractual Maturities as per requirement of BNM's policy document on Financial Reporting (Cont'd.)**

	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
Bank 2025								
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

42. RISK MANAGEMENT (CONT'D.)**42.3 Liquidity Risk and Funding Management (Cont'd.)****42.3.2 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
2026								
Liabilities								
Deposits and placements of a bank	151,607	272,892	151,607	-	-	-	-	576,106
Trade payables and other liabilities*	583,918	28,601	1,438	3,742	2,184	1,940	-	621,823
Total Undiscounted Liabilities	735,525	301,493	153,045	3,742	2,184	1,940	-	1,197,929
Commitments								
Irrevocable commitments to extend credit	147,564	-	-	-	-	-	-	147,564
Group								
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

*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 20(c).

42. RISK MANAGEMENT (CONT'D.)**42.3 Liquidity Risk and Funding Management (Cont'd.)****42.3.2 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
2026								
Liabilities								
Deposits and placements of a bank	151,607	272,892	151,607	-	-	-	-	576,106
Trade payables and other liabilities*	572,949	555	549	3,742	2,184	1,940	-	581,919
Net Undiscounted Liabilities	724,556	273,447	152,156	3,742	2,184	1,940	-	1,158,025
Commitments								
Irrevocable commitments to extend credit	147,564	-	-	-	-	-	-	147,564
Bank								
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
Total 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

*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 20(c).

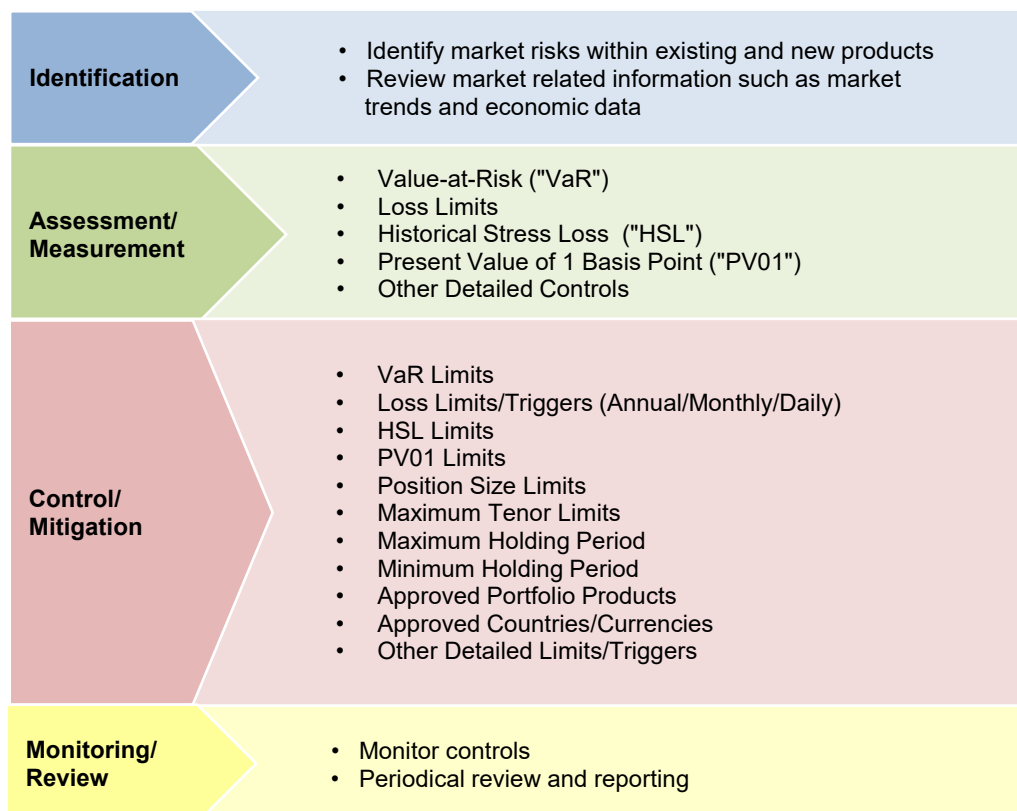
42. RISK MANAGEMENT (CONT'D.)

42.4 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:



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 Business Units 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.

42. RISK MANAGEMENT (CONT'D.)

42.4 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	<ul style="list-style-type: none"> Identify IRRBB within existing and new products Review market-related information such as market trend and economic data
Assessment/ Measurement	<ul style="list-style-type: none"> ICAAP IRRBB Economic Value of Equity ("EVE") ICAAP IRRBB Earnings-at-Risk ("EaR")
Control/ Mitigation	<ul style="list-style-type: none"> ICAAP IRRBB EVE/Tier 1 Capital Triggers ICAAP IRRBB EaR/Total Net Interest Income ("NII") Triggers
Monitoring/ Review	<ul style="list-style-type: none"> Monitor controls Periodical review and reporting

42. RISK MANAGEMENT (CONT'D.)

42.4 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 creates interest rate-sensitive positions in the Bank's statement of financial position.

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

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 advances and deposit product balances due to behavioural characteristics under different interest rate environments. Material assumptions include the repricing characteristics and the stability of loans and advances.

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.

42. RISK MANAGEMENT (CONT'D.)

42.4 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 Board and Management-approved triggers. 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.

	2026		2025	
	Interest rate + 100 bps RM'000	Interest rate - 100 bps RM'000	Interest rate + 100 bps RM'000	Interest rate - 100 bps RM'000
Group and Bank				
Impact on profit before taxation	3,690	(3,690)	5,697	(5,697)
Impact on equity	(789)	818	(791)	820

42. RISK MANAGEMENT (CONT'D.)

42.4 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:

Currency	2026		2025	
	Foreign exchange rate	Foreign exchange rate	Foreign exchange rate	Foreign exchange rate
	+ 10 %	- 10 %	+ 10 %	- 10 %
	RM'000	RM'000	RM'000	RM'000
Group				
USD	1,495	(1,495)	1,222	(1,222)
SGD	(1,229)	1,229	105	(105)
AUD	154	(154)	69	(69)
EUR	2	(2)	3	(3)
GBP	2	(2)	1	(1)
Others	111	(111)	19	(19)
Bank				
USD	220	(220)	142	(142)
SGD	(1,242)	1,242	95	(95)
AUD	3	(3)	20	(20)
EUR	2	(2)	3	(3)
GBP	2	(2)	1	(1)
Others	35	(35)	(28)	28

42. RISK MANAGEMENT (CONT'D.)

42.4 MARKET RISK MANAGEMENT (CONT'D.)

Market Risk Sensitivity (Cont'd.)

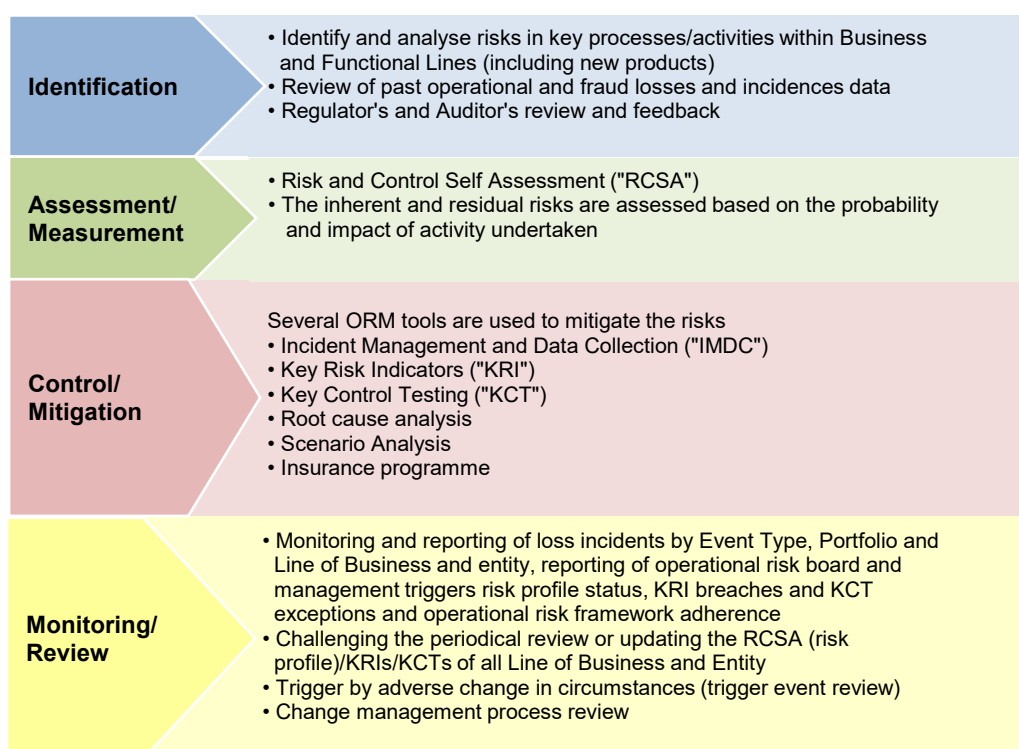
(iii) Equity Price Risk

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 2026 and 31 March 2025 in respect of equity price risk.

42.5 ENTERPRISE FRAUD AND OPERATIONAL RISK MANAGEMENT ("EFORM")

The ORM process is depicted in the table below:



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.

42. RISK MANAGEMENT (CONT'D.)

42.5 ENTERPRISE FRAUD AND OPERATIONAL RISK MANAGEMENT ("EFORM") (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 and fraud risks 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 and fraud risks in order for accountability and ownership is 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 and fraud risks management activities and supports more effective day-to-day monitoring of operational and fraud risks.
- In the second line of defence, EFORM is responsible for exercising governance over operational and fraud risk through the management of the operational risk and enterprise fraud risk framework, policy development and communication, quality assurance of internal controls, operational and fraud risk measurement, validation of FLOD effectiveness, operational risk, fraud and scam training and reporting of operational risk triggers, breaches, KCT exceptions, operational loss incidents to GMRC, RMC and the Board.
- Group Internal Audit Department ("GIAD") acts as the third and final line of defence by providing independent assurance on the internal control effectiveness through periodic audit programme.

EFORM maintains close working relationships with all Business and Functional Lines, continually assisting in the identification of operational and fraud 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 or report operational and fraud risk issues within the Group.

The ORM process contains the following ORM tools:

- The IMDC module provides a common platform for reporting operational and fraud risks incidents that fall within one of the seven Event Types as stated in Basel II. IMDC also serves as a centralised database of operational and fraud risk incidents to model the potential exposure to operational and fraud 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.

42. RISK MANAGEMENT (CONT'D.)

42.5 ENTERPRISE FRAUD AND OPERATIONAL RISK MANAGEMENT ("EFORM") (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 and fraud risks.
- Root cause analysis is conducted by the EFORM Relationship Managers within EFORM to prevent recurrence of operational and fraud 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, RMC 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.

In an increasingly digital and interconnected financial landscape, the Bank recognises that fraud risk is a persistent and evolving threat. This risk encompasses the potential for financial loss, reputational damage, and regulatory sanction resulting from deceptive acts by external parties or internal personnel. Our strategy to combat fraud is built on a multi-layered framework of prevention, detection, and response. We invest in technological solutions to monitor transactions in real-time, identify anomalous patterns to detect and prevent fraudulent activity.

Furthermore, we maintain a robust system of internal controls and conduct employee training to foster a strong culture of security awareness and ethical conduct. We continuously enhance our authentication protocols and customer education initiatives to protect our customers' assets and data. While the sophistication and volume of fraud attempts continue to rise, the Bank's dedicated Fraud Risk Management team works continuously to anticipate emerging threats. We collaborate closely with industry partners and law enforcement to strengthen the entire financial ecosystem's resilience. Although it is not possible to eliminate all fraud risk, we are committed to managing it within acceptable levels to safeguard the interests of our shareholders, customers, and the Bank.

42. RISK MANAGEMENT (CONT'D.)

42.5 ENTERPRISE FRAUD AND OPERATIONAL RISK MANAGEMENT ("EFORM") (CONT'D.)

Business Continuity Management ("BCM")

The BCM process is depicted in the table below:

Identification	<ul style="list-style-type: none"> Identify events that potentially threaten the business operations and areas of criticality
Assessment/ Measurement	<ul style="list-style-type: none"> Business Impact Analysis ("BIA") Risk Assessment Climate-related Operational Risk Assessment
Control/ Mitigation	<ul style="list-style-type: none"> Policies governing the BCM implementation BCM methodologies controlling the process flow Implementing the Business Continuity ("BC") Plan
Monitoring/ Review	<ul style="list-style-type: none"> BC Plan testing and exercise Review of BC Plan BC site readiness and maintenance

The BCM function is an integral part of EFORM. 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.

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.

42. RISK MANAGEMENT (CONT'D.)

42.6 TECHNOLOGY AND CYBER RISK MANAGEMENT

Technology risk is defined as the potential for financial loss, operational disruption, or reputational damage caused by failures in an organisation's IT infrastructure, software, systems, or data. It encompasses cyber risks (often considered a subset of technology risk, though they are frequently used interchangeably), system downtime, and hardware failures. It arises from both internal factors and external threats.

The scope addresses the various cyber and technology domains as listed (not limited to) below. This should include consideration on the bank's eco system, risk appetite, strategy transformation and the usage of emerging technology i.e. AI and Machine Learning ("ML").

Similar to Operation Risk Management, the Technology and Cyber Risk Management process comprises the 4 phases encompassing the technology(ies), mechanisms, tools, policies, procedures, controls and processes, including management oversight, to continuously identify, assess, monitor, report and mitigate/control technology risks, which include (but not limited to) IT risk, information security risk and cyber security risk.

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, 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.

42.7 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.

42. RISK MANAGEMENT (CONT'D.)

42.8 REGULATORY COMPLIANCE RISK

AMMB Group adopts a zero tolerance approach to regulatory breaches, including bribery, corruption and Shariah non-compliance.

AMMB Group is committed to upholding high integrity and ethical standards by complying to the Code of Conduct and the applicable laws and regulations to safeguard the organisation and support sound and ethical business operations.

AMMB Group has in place a comprehensive Regulatory Compliance Risk Management Framework to promote the safety and soundness of AMMB Group by minimising financial, reputational and operational risks arising from regulatory non-compliance.

The compliance framework defines clear roles and responsibilities for compliance with regulatory guidelines and requirements and outlines the accountability of business and support units in managing compliance risks with their respective areas. 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 Group Chief Compliance Officer provides independent oversight and has a direct reporting line to the Board RMC. A structured governance and escalation process is in place to ensure timely identification, escalation, and reporting of compliance risks, with regular compliance updates submitted through monthly compliance reports to the RMC and the Board.

The Senior Management team is responsible for communicating the compliance framework to all employees across the organisation and ensuring the appropriate corrective actions are taken in response to any identified non-compliance. To support effective oversight, the Group Management Governance and Compliance Committee ("GMGCC"), comprising Senior Management representatives from Group Compliance, Group Risk, Group Internal Audit and Business Units, meets regularly to discuss and deliberate on regulatory updates, assess compliance issues and address areas of non-compliance.

AMMB Group continues to strengthen its compliance culture, supported by strong leadership commitment to high ethical standards and integrity. The Group remains vigilant to emerging regulatory risks, enhances its due diligence and governance processes, and proactively responds to heightened regulatory scrutiny and supervisory expectations. The Board and Senior Management lead by example in fostering a robust compliance culture, ensuring that integrity and ethical conduct are embedded across the organisation.

43. 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.

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

Group and Bank

	2026		2025	
	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	76,140	75,000	76,234

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

43.3 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 2025: 8.3%) 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.

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

43.4 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 for the financial year:

Group and Bank	Equity instruments at FVOCI	
	2026 RM'000	2025 RM'000
Balance at the beginning of financial year	2,740	2,794
Total gain/(loss) recognised in OCI	5	(54)
Balance at end of the financial year	<u>2,745</u>	<u>2,740</u>

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:

Group and Bank	2026 RM'000	2025 RM'000
Financial investments at FVOCI		
Total (gain)/loss included in fair value reserve	<u>(5)</u>	<u>54</u>

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.

44. 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) Funds Management – comprises the asset and fund management services, offering a variety of investment solutions for various asset 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. Following the internal reorganisation exercise, the Private Banking business has transferred to AmBank on 14 January 2026;
- (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.

Notes:

- (i) 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 2025 have been restated to conform with current business realignment between the business segment.

44. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group 2026	Investment Banking							Total RM'000
	Equity Markets RM'000	Funds Management RM'000	Private Banking RM'000	Corporate Finance RM'000	Capital Markets RM'000	Others RM'000	Others RM'000	
External net income	94,975	171,974	23,412	18,666	37,335	42	2,572	348,976
Intersegments net income	(23,445)	-	68	(23)	461	97	22,842	-
Net income	71,530	171,974	23,480	18,643	37,796	139	25,414	348,976
Net interest income	14,602	1,302	74	(23)	461	97	13,765	30,278
Other operating income (net of direct costs)	56,928	170,672	23,406	18,666	37,335	42	11,649	318,698
Net income	71,530	171,974	23,480	18,643	37,796	139	25,414	348,976
Other operating expenses	(81,309)	(78,468)	(15,950)	(21,245)	(28,659)	1,274	(2,564)	(226,921)
of which:								
<i>Depreciation of property and equipment</i>	(371)	(393)	(111)	(35)	(35)	(59)	(634)	(1,638)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	-	(670)	(670)
<i>Amortisation of intangible assets</i>	(1,291)	(546)	(5)	(291)	(1)	(72)	(182)	(2,388)
(Loss)/Profit before impairment losses	(9,779)	93,506	7,530	(2,602)	9,137	1,413	22,850	122,055
(Allowances for)/Writeback of impairment on								
Loans and advances, net	(811)	-	-	-	-	-	-	(811)
Other financial assets	1,154	-	-	790	(919)	-	-	1,025
Provision for commitments and contingencies	-	(889)	-	-	-	-	(750)	(1,639)
(Loss)/Profit before taxation	(9,436)	92,617	7,530	(1,812)	8,218	1,413	22,100	120,630
Taxation	2,264	(20,153)	(1,807)	435	(1,972)	(339)	(6,015)	(27,587)
(Loss)/Profit for the financial year	(7,172)	72,464	5,723	(1,377)	6,246	1,074	16,085	93,043
Other information:								
Total segment assets	1,234,180	154,027	-	4,203	11,933	543	521,440	1,926,326
Total segment liabilities	566,780	46,324	-	5,101	7,962	3,913	593,854	1,223,934
Cost-to-income ratio	>100%	45.6%	67.9%	>100%	75.8%	>-100%	10.1%	65.0%
Gross loans and advances	397,841	-	-	-	-	-	147	397,988
Net loans and advances	389,838	-	-	-	-	-	147	389,985
Impaired loans and advances	18,635	-	-	-	-	-	-	18,635
Total deposits and placements	-	-	-	-	-	-	570,000	570,000
Additions to:								
Property and equipment	192	1,896	47	5	62	123	535	2,860
Intangible assets	1,068	1,342	-	-	-	25	1,350	3,785

44. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group 2025 (restated)	Investment Banking							Total RM'000
	Equity Markets RM'000	Funds Management RM'000	Private Banking RM'000	Corporate Finance RM'000	Capital Markets RM'000	Others RM'000	Others 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	(79,655)	(78,684)	(30,586)	(21,857)	(30,341)	(270)	(5,034)	(246,427)
of which:								
<i>Depreciation of property and equipment</i>	(512)	(151)	(134)	(52)	(27)	(51)	(773)	(1,700)
<i>Depreciation of right-of-use assets</i>	-	-	-	-	-	-	(672)	(672)
<i>Amortisation of intangible assets</i>	(176)	(321)	(6)	(252)	(1)	(8)	(42)	(806)
Profit/(Loss) before impairment losses	10,967	83,191	7,615	2,135	4,621	141	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	15,994	83,196	7,615	2,625	4,646	141	15,890	130,107
Taxation	(3,839)	(16,023)	(1,828)	(630)	(1,115)	(34)	(4,492)	(27,961)
Profit/(Loss) for the financial year	12,155	67,173	5,787	1,995	3,531	107	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	87.9%	48.6%	80.1%	91.1%	86.8%	65.6%	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. 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		Net Amount RM'000
				Financial Instruments RM'000	Cash collateral received/pledged RM'000	
31 March 2026						
Trade receivables and other financial assets	709,831	(26,366)	683,465	69,616	(18,111)	734,970
Trade payables and other financial liabilities	647,750	(26,366)	621,384	-	-	621,384
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
Bank						
31 March 2026						
Trade receivables and other financial assets	679,688	(26,366)	653,322	69,616	(18,111)	704,827
Trade payables and other financial liabilities	607,846	(26,366)	581,480	-	-	581,480
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

46. SIGNIFICANT EVENTS

- (a) Following the establishment of Group Wealth Management (formerly known as Integrated Wealth Management) on 1 April 2025, the AMMB undertook a strategic initiative to consolidate its Private Banking business. On 30 October 2025, the Bank entered into a business transfer agreement with a related company, AmBank to transfer the assets, liabilities, activities, business and undertakings of its Private Banking business to AmBank. The business transfer was completed on 14 January 2026 and the Bank transferred net liabilities of RM3.7 million to AmBank.
- (b) The Middle East Conflict that began on 28 February 2026 and caused the closure of the Strait of Hormuz, has significantly disrupted many business operations around the world. In assessing the potential credit implications of the conflict, specific borrowers' information and situations with particular focus on exposures to and from Middle East, industry and sectoral developments and trends, forward-looking economic information and a range of external market views were considered, with judgement applied considering the evolving facts and circumstances.

The assessment considered the actual and possible assistances the borrowers and customers would require and possibilities of more adverse developments. The process involved judgements on areas including duration, extent, and ultimate outcomes of the conflict which are subject to high degree of uncertainties. The results of the assessment and these considerations have been reflected and incorporated in the ECL allowances as at 31 March 2026. While available, reasonable and supportable information have been considered in determining the ECL allowances for the current financial year ended 31 March 2026, actual outcomes may differ from these estimates due to high level of uncertainties involved.

Given the inherent uncertainties and the high level of subjectivity involved in the recognition or measurement of ECL allowances as stated above, it is possible that the outcomes in the next financial year could differ from the expectations on which these estimates are based, resulting in the recognition and measurement of materially different amounts from those recorded in the financial statements. The extent of any adverse impacts on the Group's and the Bank's borrowers, particularly on their ability to meet financial obligations to the Group and the Bank, will continue to affect the ECL allowances in the next financial year ending 31 March 2027. The Group and the Bank will continue to monitor these developments and implement appropriate measures to mitigate any adverse impacts on its credit portfolio and trade receivables.