AmBank (M) Berhad
Registration No. 196901000166 (8515-D)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 March 2024

Registration No. 196901000166 (8515-D)

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

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AMBANK (M) BERHAD
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DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the audited financial statements of AmBank (M) Berhad ("the Bank") and its subsidiaries ("the Group") for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

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

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

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

FINANCIAL RESULTS

	Group	Bank
	RM'000	RM'000
Profit for the financial year	1,261,706	1,259,767
Attributable to:		
Equity holder of the Bank	1,261,686	1,259,767
Non-controlling interests	20	-
	1,261,706	1,259,767

There were no material transfers to or from reserves, allowances or provisions during the financial year other than those disclosed in the financial statements.

ITEMS OF MATERIAL AND UNUSUAL NATURE

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

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

DIVIDENDS

During the current financial year:

- the final single-tier cash dividend of 17.30 sen per ordinary share on 949,927,564 ordinary shares amounting to approximately RM164,337,469 in respect of the financial year ended 31 March 2023 was paid on 16 June 2023; and
- an interim single-tier cash dividend of 5.80 sen per ordinary share on 949,927,564 ordinary shares amounting to approximately RM55,095,799 in respect of current financial year ended 31 March 2024 was paid on 18 December 2023.

The Directors proposed the payment of a final single-tier dividend of 47.20 sen per ordinary share on 949,927,564 ordinary shares amounting to approximately RM448,365,810 in respect of the current financial year ended 31 March 2024. 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 2025.

OUTLOOK FOR NEXT FINANCIAL YEAR

The prospects for the global economy appears to be brighter than when we entered calendar year ("CY") 2024. With the prolonged high interest rate environment, the United States ("US") economy continued to grow, albeit at a slower pace in the first quarter of CY2024 and inflation pressure has also eased slightly. This provides more flexibility for the US Federal Reserve ("Fed") to reduce policy interest rate later in the year. The Eurozone's and United Kingdom's economies managed to overcome the technical recession experienced in the second half of CY2023. With inflation in these economies holding steady and nearing the targeted level, this should allow the central banks to cut interest rates to stimulate further growth of their economies. An expected, first-rate cut will likely happen in June 2024 for both the European Central Bank ("ECB") and the Bank of England ("BoE"). China's recent growth in industrial production signals that manufacturers are recovering gradually although retail sales of consumer goods remain weak. Globally, the outlook on the manufacturing sector has improved as the latest Global Manufacturing Purchasing Manager's Index ("PMI") reached a growth threshold of 50 for three consecutive months. Taken together, we expect to see the outlook for global economy to improve.

During the first quarter of CY2024, Malaysia's economy expanded by 4.2% year-on-year ("YoY") and this was higher than the market forecast of 3.9% YoY. This growth was driven by higher private consumption, the rebound in exports of goods and services, and the robust expansion in private investments. The services sector continued to grow at 4.7% YoY, and growth in the construction sector was strong at 11.9% YoY, whilst the manufacturing sector posted a decent growth of 1.9% YoY.

We anticipate continued support for growth from domestic demand and recovery in the external trade for the rest of 2024. The expected minimum wage growth revision, civil servants' wage adjustments, EPF's Flexible (Account 3) withdrawals, progressive wage model and continued subsidies for lower-income household groups will help drive domestic consumption. Furthermore, tourism and related sectors are improving and have yet to reach their pre-pandemic levels. Market indicators suggest that the semiconductor industry reached its low point at the end of the first half of CY2023 and has since embarked on a path to recovery, offering positive prospects for CY2024. We maintain our earlier forecast that Malaysia's Gross Domestic Product ("GDP") growth will be at 4.5% for CY2024, which falls at the mid-point of the Bank Negara Malaysia's ("BNM's") projection of 4.0% to 5.0%.

For the banking sector, the outstanding loans grew by 6.0% YoY in March 2024, the highest growth since 2022. The non-household segment loans expanded 5.6%, and for the household segment, loans growth was at 6.3%. We anticipate loans growth to be in the range of 4.0% to 5.0% for the year. The overall banking system remains highly liquid. This is reflected by the liquidity coverage ratio at 150.3% in March 2024. The funding profile remains well-diversified, with March 2024's loan-to-fund ratio and loan-to-fund-and-equity ratio at 81.8% and 71.2%, respectively.

We believe the OPR will be maintained at its current rate of 3.0% throughout 2024. However, the planned subsidies rationalisation and wage growth may add some inflationary pressure in the second half of the year.

AMMB Holdings Berhad ("AMMB") Group's outlook on the Malaysian economy is positive, supported by strong domestic demand, improving labour markets, continued growth of inbound tourism and increased Foreign Direct Investment. In addition, pragmatic implementation of Budget 2024 is expected to provide additional impetus to the economy.

SIGNIFICANT EVENT

The Bank has mutually agreed with Lembaga Hasil Dalam Negeri Malaysia on the tax treatment of exceptional expenses incurred in the financial year ended 31 March 2021. As a result, the total tax recoverable for the Bank amounted to RM701.6 million. In the previous financial year, the Bank had recognised a portion of tax recoverable amounted to RM220.5 million. The remaining tax recoverable of RM481.1 million was recognised by the Bank during the current financial year.

SIGNIFICANT SUBSEQUENT EVENT

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

BUSINESS PLAN AND STRATEGY

(a) Performance review for financial year ended 31 March 2024

For the financial year ended 31 March 2024, the Group's net profit improved from RM1,093.7 million to RM1,261.7 million and profit before impairment and provision improved by 5.9% to RM1,688.6 million. The Group recognised tax credit approximately RM481.1 million of tax recoverable in relation to agreement with Lembaga Hasil Dalam Negeri Malaysia of tax treatment of exceptional expenses incurred in financial year ended 31 March 2021.

Non-interest income grew strongly by 17.0% to RM788.5 million contributed mainly from investment and trading income. Expenses improved 7.3% to RM1,324.6 million mainly from transfer pricing recovery and the Cost-to-Income ratio improved from 47.2% to 44.0%.

Despite the loans growth of 4.6%, the net interest margin ("NIM") compressed to 1.74% due to elevated cost of funds resulting in net interest income decreasing by 5.2%.

Further, net impairment charge for the financial year increased by RM420.4 million attributable to higher allowance for impairment on loans and advances as well as impairment on non-financial assets. Gross impaired loans ratio stood at 1.78% (2023: 1.64%), with loan loss coverage ratio (including regulatory reserves) of 110.2% (2023: 123.5%).

With the improved profitability, the CET1 Capital ratio (after deducting proposed final dividend) increased to 13.047% from 12.259% and Total Capital ratio (after deducting proposed final dividend) increased to 17.688% from 16.835% a year ago.

(b) Strategic Highlights

FY2024 marked the final year of AMMB Group's Focus 8 Strategy, during which AMMB Group made significant strides in many areas. We continue to build our businesses from a position of strength.

Focus 8 was successful in building solid foundation for the next phase of our strategy. This next phase will be underpinned by 3 strategic pillars - Digitalisation, Operational Excellence and Sustainability. AMMB Group's business plans will take into consideration future banking trends and evolving consumer needs.

AMMB Group remains steadfast in its sustainability objectives, acknowledging that sustainability is an essential element of the fabric to remain competitive. AMMB Group actively promotes various green financing solutions tailored to meet the needs of our customers, facilitating their transition to a low-carbon economy.

AMMB Group has further augmented and institutionalised governance over sustainability risks and opportunities, whilst continuing to prioritise customer satisfaction, sound corporate governance and risk management practices. Through the adoption of new technologies, safeguarding of customer data and a with continued focus on meeting customer needs, AMMB Group strives to develop innovative and sustainable solutions that cater to the evolving demands of customers.

ISSUANCE OF SHARES AND DEBENTURES

The following are changes during the current financial year in connection with the debt and equity securities that were issued by the Bank:

Issuance of debt securities

(a) On 27 June 2023, the Bank issued Tranche 11 with nominal amount of RM500.0 million under its RM4.0 billion Subordinated Notes Issuance Programme. The interest rate of this tranche is at 4.59% per annum payable half-yearly with a tenure of 10 years (callable in the 5th year).

(b) On 3 November 2023, the Bank issued Tranche 1 with nominal amount of RM500.0 million under its RM8.0 billion Subordinated Notes Issuance Programme. The interest rate of this tranche is at 4.55% per annum payable half-yearly with a tenure of 10 years (callable in the 5th year).

(c) On 6 November 2023, the Bank issued Tranche 9 of Senior Notes with nominal value of RM500.0 million under its RM7.0 billion nominal value Senior Notes Programme. Tranche 9 bears interest at 4.33% per annum payable half- yearly with a tenure of 3 years.

Repayment of debt securities

(a) On 30 June 2023 and 29 December 2023, the Bank redeemed Tranche 8 - Series 1 and Series 2 of its Senior Notes with nominal value of RM150.0 million and RM250.0 million respectively issued under its RM7.0 billion nominal value Senior Notes Programme.

(b) On its first call date of 15 November 2023, the Bank fully redeemed Tranche 6 of Subordinated Notes with nominal amount of RM1,000.0 million issued under its RM4.0 billion Subordinated Notes Programme.

Same as disclosed above and in Notes 26 and 27 to the financial statements, there were no other issuances and/or repayments of shares or debentures during the financial year.

SHARE OPTIONS

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

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

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Bank through the holding company, AMMB has maintained a Directors' and Officers' Liability Insurance on a group basis up to an aggregate limit of RM200.0 million against any legal liability incurred by the Directors and Officers in the discharge of their duties while holding office within AMMB Group including for the Bank. The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them. The gross amount of insurance premium paid by AMMB for the Directors and Officers of AMMB and its subsidiaries for the current financial year was RM418,425 (2023: RM418,425).

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Bank were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowances for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowances had been made for doubtful debts.

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Bank that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability in respect of the Group and of the Bank that has arisen since the end of the financial year, other than those incurred in the normal course of business of the Group and of the Bank.

No contingent or other liability of the Group and of the Bank has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Bank to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Bank that would render any amount stated in the financial statements misleading.

CURRENT ASSETS

Before the financial statements of the Group and of the Bank were made out, the Directors took reasonable steps to ascertain that any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Bank have been written down to their estimated realisable values.

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

DIRECTORS

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

Voon Seng Chuan
Soo Kim Wai
Dato’ Sri Abdul Hamidy Abdul Hafiz
Dr Veerinderjeet Singh a/l Tejwant Singh
U Chen Hock
Ng Chih Kaye
Foong Pik Yee

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

No.	Name of Subsidiary	Name of Director
1.	AmCard Services Berhad	Loo Boon Seng Khoo Teck Beng (appointed w.e.f. 23.11.23) Ling Fou-Tsong @ Jamie Ling (resigned w.e.f. 23.11.23)
2.	AmMortgage One Berhad	Loo Boon Seng Foong Pik Yee (appointed w.e.f. 29.9.23) Leow Yoke Yen (appointed w.e.f. 29.9.23) Dato' Ng Mann Cheong (retired w.e.f. 1.10.23) Syed Ihsanputra bin Syed Mohd Fudzan (resigned 1.10.23)
3.	AmProperty Holdings Sdn Bhd	Lim Kien Hock Khoo Teck Beng
4.	Bougainvillaea Development Sdn Bhd	Lim Kien Hock Khoo Teck Beng
5.	Mbf Information Services Sdn Bhd	Lim Kien Hock Khoo Teck Beng
6.	Teras Oak Pembangunan Sendirian Berhad	Lim Kien Hock Khoo Teck Beng
7.	AmLabuan Holdings (L) Ltd	Datuk Iswaraan a/l Suppiah
8.	Malco Properties Sdn Bhd (Under Members’ Voluntary Liquidation)	Lim Kien Hock Khoo Teck Beng

DIRECTORS' INTERESTS

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

None of the Directors in office at the end of the financial year had any interest in shares in the Bank and in the related corporations during and at the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in Note 36 to the financial statements and from related corporations) by reason of a contract made by the Bank or a related corporation with the Director or with a firm in which the Director is a member, or with a company in which the Director has a substantial financial interest, other than for the related party transactions as shown in Note 43 to the financial statements.

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

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 and Bank RM'000
Fees	1,130
Other Emoluments	968
Benefits-in-kind	49
	2,147

AMMB EXECUTIVES' SHARE SCHEME

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

The awards under the ESS are up to ten percent (10%) of the total number of issued shares of AMMB (excluding treasury shares) at any point of time for the duration of the ESS for Eligible Executives including Executive Directors. The ESS is implemented and administered by the Group Nomination and Remuneration Committee ("GNRC"). The effective date of the ESS is 5 October 2018 and would be in force for a period of ten (10) years to 4 October 2028.

The awards granted to such Eligible Executives only comprises shares. Shares to be made available under the ESS will only vest to Eligible Executives who have duly accepted the offers of awards under the ESS in accordance with the By-Laws of the ESS and subject to the satisfaction of stipulated conditions. Such conditions are stipulated and determined by the GNRC.

CORPORATE GOVERNANCE

(a) Directors' Profiles

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

MR VOON SENG CHUAN
Independent Non-Executive Chairman

Mr Voon Seng Chuan, a Malaysian, aged 65, was appointed to the Board of AmBank on 18 June 2015 as Independent Non-Executive Director. He assumed the Chairmanship of the Board on 1 January 2019.

Mr Voon also sits on the board of AMMB and he is currently the Senior Independent Non-Executive Director of AMMB. Mr Voon is a Member of the GNRC and Group Information Technology Committee of AMMB.

CORPORATE GOVERNANCE (CONT'D.)

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

MR VOON SENG CHUAN
Independent Non-Executive Chairman (Cont'd.)

Mr Voon has been part of the Information Technology ("IT") industry for about three decades. In April 2008, he joined the IBM Quarter Century Club reflecting his 25 years of service in IBM. He retired from IBM in March 2010.

In his 27 years of service with IBM, Mr Voon held a number of roles delivering all aspects of IT products and services for clients in all industry segments in Malaysia and the Asia Pacific region. His last role in IBM prior to his retirement was Director for Mid-Market Segment in Asia Pacific.

From 2000 to 2006, Mr Voon was the Managing Director for IBM Malaysia and Brunei. Mr Voon responded to the Malaysian Government's call to transform the nation into an international shared services and outsourcing hub by leading IBM's investment in seven regional centres/ operations in Malaysia. In doing so, IBM is well positioned to transfer best practices and high-skilled expertise to the country. In 2013, Mr Voon was recognised with the "Outsourcing Leader of the Year" award by Outsourcing Malaysia. He was also a Council Member of PIKOM (National ICT Association of Malaysia) from 1994/1995 and 1999/2000.

Mr Voon is currently an Independent Non-Executive Director of Mesiniaga Berhad (an IT company listed on the Main Market of Bursa Malaysia Securities Berhad). He is also a Member of the Board of Trustees of CVSKL Foundation.

Mr Voon has a Bachelor of Science (Honours) degree in Mathematics from the University of Malaya.

MR SOO KIM WAI
Non-Independent Non-Executive Director

Mr Soo Kim Wai, a Malaysian, aged 63, was appointed to the Board of AmBank on 2 January 2019 as Non-Independent Non-Executive Director. He is a Member of the Board Credit Committee ("BCC") of AmBank.

Mr Soo is currently the Group Managing Director of Amcorp Group Berhad. He joined Amcorp Group Berhad in 1989 as Senior Manager, Finance and has since held various positions before he was promoted to his current appointment. Prior to that, he was with Plantation Agencies Sdn Bhd from 1985 to 1989, and in the accounting profession for 5 years with Deloitte KassimChan from 1980 to 1985.

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

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

CORPORATE GOVERNANCE (CONT'D.)

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

DATO' SRI ABDUL HAMIDY ABDUL HAFIZ
Independent Non-Executive Director

Dato' Sri Abdul Hamidy Abdul Hafiz, a Malaysian, aged 67, was appointed to the Board of AmBank on 7 January 2016 as Independent Non-Executive Director. He is the Chairman of the BCC of AmBank.

Dato' Sri Hamidy also sits on the board of a subsidiary of AMMB, namely AmBank Islamic Berhad ("AmBank Islamic") as the Independent Non-Executive Chairman and serves as the Chairman of the BCC of AmBank Islamic.

Dato' Sri Hamidy is an experienced banker with over 30 years of extensive banking experience in the fields of Commercial and Finance Banking, Investment Banking and Islamic Banking. Dato' Sri Hamidy was previously the Chief Executive Officer of Kuwait Finance House (Malaysia) Berhad and prior to that, Dato' Sri Hamidy was the Chairman of Danajamin Nasional Berhad. He was also previously the Managing Director/ Chief Executive Officer of Affin Bank Berhad, Chairman of the Association of Banks Malaysia, Managing Director of Pengurusan Danaharta Nasional Berhad and an Independent Non-Executive Director of Chubb Insurance Malaysia Berhad. Dato' Sri Hamidy also served as the Chairman of Corporate Debt Restructuring Committee (CDRC) from 2009 until the end of February 2020.

Dato' Sri Hamidy currently serves as a member of the Appeals Committee of Bursa Malaysia Berhad.

Dato' Sri Hamidy holds a Bachelor's Degree and a Master in Business Administration from Ohio University, United States of America ("USA").

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

Dr Veerinderjeet Singh a/l Tejwant Singh, a Malaysian, aged 67, was appointed to the Board of AmBank on 1 June 2017 as Independent Non-Executive Director. He is the Chairman of the Audit and Examination Committee and a Member of the Risk Management Committee of AmBank.

Dr Veerinderjeet had served as a Tax Partner/ Executive Director at Arthur Andersen and Ernst & Young in Malaysia and had also served in the Malaysian Inland Revenue Department. He has over 35 years of experience in the tax profession as an Inland Revenue Officer, academician, consultant, author and tax observer.

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

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

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

CORPORATE GOVERNANCE (CONT'D.)

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

DR VEERINDERJEET SINGH A/L TEJWANT SINGH
Independent Non-Executive Director (Cont'd.)

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

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

MR U CHEN HOCK
Independent Non-Executive Director

Mr U Chen Hock, a Malaysian, aged 68 was appointed to the Board of AmBank on 3 July 2018 as an Independent Non-Executive Director, where he currently serves as the Chairman of the Risk Management Committee and a Member of the Audit and Examination Committee of AmBank.

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

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

He is currently also an Independent Non-Executive Director of Tokio Marine Life Insurance Malaysia Bhd, Chairman of its Risk Management & Compliance Committee and also a member of its Audit Committee, Nomination Committee and Remuneration Committee.

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

MR NG CHIH KAYE
Independent Non-Executive Director

Mr Ng Chih Kaye, a Malaysian, aged 68, was appointed to the Board of AmBank on 2 January 2019 as Independent Non-Executive Director. He is a Member of the Board Credit Committee of AmBank.

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

Presently, Mr Ng is an examiner with the Asian Institute of Chartered Bankers ("AICB").

Mr Ng is currently an Independent Non-Executive Director of AmFunds Management Berhad (a subsidiary of AmInvestment Bank Berhad).

Mr Ng is a Member of MIA and a Fellow of the Association of Chartered Certified Accountants ("ACCA"), United Kingdom.

CORPORATE GOVERNANCE (CONT'D.)

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

MS FOONG PIK YEE
Independent Non-Executive Director

Ms Foong Pik Yee, a Malaysian, aged 64, was appointed to the Board of AmBank on 26 September 2021 as Independent Non-Executive Director. She is a Member of the Audit and Examination Committee and Risk Management Committee of AmBank.

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

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

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

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

(b) Directors' Training

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

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

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

CORPORATE GOVERNANCE (CONT'D.)

(c) Board Responsibility and Oversight

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

The Board supervises the management of the Bank's businesses, policies and affairs with the goal of long term sustainability of the Group. The Board meets thirteen (13) times in the year to carry out its duties and responsibilities, with additional Board meetings being convened, whenever required.

The Board addresses key matters concerning strategy, finance, organisation structure, corporate and business developments, human resource (subject to matters reserved for shareholders' meetings By-Laws), promote sustainability in the Group's and the Bank's business strategies and establishes guidelines for overall business, risk and control policies, capital allocation and approves all key business developments.

The Board currently comprises seven (7) Directors with wide skills and experience, six (6) of whom are Independent Non-Executive Directors. The Directors participate fully in decision making on key issues regarding the Bank and its subsidiaries. The Independent Non-Executive Directors ensure strategies proposed by the Management are fully discussed and examined, as well as taking into account the long term interests of various stakeholders.

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

(d) Committees of the Board

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

1. Audit and Examination Committee (at Bank level);
2. Risk Management Committee (at Bank level);
3. Board Credit Committee (at Bank level);
4. Group Nomination and Remuneration Committee (at AMMB Group level); and
5. Group Information Technology Committee (at AMMB Group level).

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

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 2024 ("FY2024")				
Directors	**Board of Directors**	**Audit and Examination Committee**	**Risk Management Committee**	**Board Credit Committee**
Voon Seng Chuan	13/13 (Chairman)	N/A	N/A	N/A
Soo Kim Wai	13/13	N/A	N/A	25/25
Dato' Sri Abdul Hamidy Abdul Hafiz	12/13	N/A	N/A	25/25 (Chairman)
Dr Veerinderjeet Singh a/l Tejwant Singh	12/13	7/7 (Chairman)	6/7	N/A
U Chen Hock	13/13	7/7	7/7 (Chairman)	N/A
Ng Chih Kaye	13/13	N/A	N/A	25/25
Foong Pik Yee	13/13	7/7	7/7	N/A
Number of meetings held in FY2024	13	7	7	25

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

Audit and Examination Committee

The Board has appointed the Committee to assist in discharging its duties of maintaining a sound system of internal controls to safeguard the Bank's assets and stakeholders' interest. The Committee comprises three (3) members, all of whom are Independent Non-Executive Directors and chaired by an Independent Non-Executive Director.

The Committee met seven (7) times during the financial year ended 31 March 2024 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 Committee also followed up on the resolution of major issues raised by the internal auditors, statutory auditors as well as the regulatory authorities in their audit reports. The financial statements were reviewed by the Committee prior to their submission to the Board of the Bank for adoption.

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

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

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 Committee. Group Internal Audit assists the Committee in assessing and reporting on business risks and internal controls, operating within the framework defined in the Audit Charter.

The Committee 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 Committee and significant findings are discussed during the Committee meeting. The Group Chief Internal Auditor attends the Committee meeting by invitation. The Committee also holds separate meetings with the Group Chief Internal Auditor and the external auditors whenever necessary.

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

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

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

Risk Management Committee

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

The RMC exercises oversight on behalf of the Board to ensure adequate overall management of credit, market, funding, operational, legal, regulatory capital, strategic, reputation, shariah, information technology and cyber risks impacting the Bank.

The Committee is independent from the Management and comprises three (3) members, all of whom are Independent Non-Executive Directors and chaired by an Independent Non-Executive Director. 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 2024.

CORPORATE GOVERNANCE (CONT'D.)

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

Risk Management Functions

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

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

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

Board Credit Committee

The Committee comprises three (3) members, all of whom are Non-Executive Directors and chaired by an Independent Non-Executive Director. The Board has established the Committee to assist in ensuring the credit facilities and commitments, and connected party credit transactions are approved in accordance with policies approved by the Board.

There were twenty-five (25) meetings held during the financial year ended 31 March 2024.

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 Mr Voon Seng Chuan and Mr Soo Kim Wai in the Committee. The Committee is responsible for, among others, the following:

- regularly reviewing the board structure, size and composition, as well as making recommendation to the Board of the Bank with regard to any changes that are deemed necessary;
- recommending the appointment of Directors to the Board and Committees of the Board as well as annually review the mix of skills, experience and competencies that Non-Executive Directors should bring to the Board;
- on an annual basis, assessing the effectiveness of the Board as a whole and the Committees as well as the contributions of the Chairman and each Director to the effectiveness of the Board;

CORPORATE GOVERNANCE (CONT'D.)

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

Group Nomination and Remuneration Committee ("GNRC") (Cont'd.)

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 Mr Voon Seng Chuan and Mr Soo Kim Wai in the Committee. The Committee is responsible for, among others, the following (Cont'd.):

- recommending to the Board the framework/methodology for the remuneration of the Directors, Chief Executive Officers and other Senior Management staff with the relevant experience and expertise needed to assist in managing the Group effectively. The services of consultants are utilised to review the methodology for rewarding Executive Directors and Management staff according to the Key Performance Indicators required to be achieved;
- to implement the Executives' Share Scheme (the "Scheme") in accordance with the By-Laws of the Scheme as approved by the shareholders of AMMB' and
- to oversee the succession planning for the Board Chairman, Directors, Shariah Committee members, Senior Management and expatriate-filled positions in the Group.

The Committee met ten (10) times during the financial year ended 31 March 2024.

Group Information Technology Committee ("GITC")

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

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

- review and recommend AMMB Group-wide IT policies, procedures and frameworks including IT security and IT risk management and e-banking services to ensure the effectiveness of internal control systems and the reliability of the management information systems;
- provide strategic oversight for IT, digital and cyber security development within AMMB Group and ensuring that IT, cyber security, digitalisation and technology-related innovation strategic plans are aligned and integrated with AMMB Group's business objectives and strategy;
- review IT, digital and cyber security planning and strategy, including the financial, tactical and strategic benefits of proposed significant information technology-related projects and initiatives;
- review and endorse the long term IT, digital and cyber security strategic plans, budgets and monitor the progress of implementation;
- oversee the adequacy and utilisation of AMMB Group's IT resources, including computer hardware, software, personnel who are involved in the development, modification and maintenance of computer programmes and related standard procedures as well as the recovery controls to mitigate disruption of operations and services;
- ensure the Senior Management regularly provides status updates on both key performance indicators and forward-looking risk indicators together with sufficient information on key technology risks and critical technology operations;
- review and recommend any deviation from Bank Negara Malaysia technology-related policies and guidelines after having carefully considered a robust assessment of related risks;
- responsible for overall oversight function on IT matters, including ex-ante risk assessments on e-banking services and the usage of cloud services; and
- advise the Board on matters within the scope of GITC, as well as any major IT related issues that merit the attention of the Board.

The Committee met six (6) times during the financial year ended 31 March 2024.

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 in sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. The Board provides input on AMMB Group policies.

HOLDING COMPANY

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

RATING BY EXTERNAL AGENCIES

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

Details of the Bank's ratings are as follows:

Rating Agency Ratings	Date accorded	Rating Classification	Ratings
Moody's Investors Service	10 August 2023	Long-term Bank deposits (Foreign) rating	A3
		Short-term Bank deposits (Foreign) rating	P-2
		Outlook	Stable
S&P Global Ratings	30 October 2023	Long-term foreign currency rating	BBB+
		Short-term foreign currency rating	A-2
		Outlook	Stable
RAM Rating Services Berhad	2 October 2023	Long-term financial institution rating	AA2
		Short-term financial institution rating	P1
		Outlook	Stable
Fitch Ratings	3 August 2023	Long-term foreign currency rating	BBB-
		Short-term foreign currency rating	F3
		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 2024 RM'000	Bank 2024 RM'000
Audit services	1,845	1,809
Regulatory and assurance related	1,675	1,675
Other services	109	109

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

VOON SENG CHUAN
Director

DR VEERINDERJEET SINGH A/L TEJWANT SINGH
Director

Kuala Lumpur, Malaysia
27 May 2024

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

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

We, **VOON SENG CHUAN** and **DR VEERINDERJEET SINGH A/L TEJWANT SINGH**, being two of the Directors of **AMBANK (M) BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 25 to 199 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 2024 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.

VOON SENG CHUAN	**DR VEERINDERJEET SINGH A/L TEJWANT SINGH**
Director	Director

Kuala Lumpur, Malaysia
27 May 2024

Registration No. 196901000166 (8515-D)

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

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **SHAFIQ BIN ABDUL JABBAR**, being the Officer primarily responsible for the financial management of **AMBANK (M) BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 25 to 199, 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.

SHAFIQ BIN ABDUL JABBAR
(MIA Number: 23405)

Subscribed and solemnly declared by the **SHAFIQ BIN ABDUL JABBAR** at Kuala Lumpur in the state of Wilayah Persekutuan this 27 May 2024, before me,

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

PESURUHJAYA SUMPAH
W 840
SURIAMUTHY A/L RAJOO,P.P.W.
01.01.2024 - 22.07.2025
MALAYSIA
Tingkat 20, Ambank Group Building
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur

EY
Building a better working world

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Registration No. 196901000166 (8515-D)

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of AmBank (M) Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Bank, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 25 to 199.

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 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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Registration No. 196901000166 (8515-D)

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

Information other than the financial statements and auditors' report thereon

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

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the financial statements

The directors of the Bank are responsible for the preparation of financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 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.

Registration No. 196901000166 (8515-D)

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group or of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.

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Registration No. 196901000166 (8515-D)

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

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance 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

Ahmad Qadri Bin Jahubar Sathik
No. 03254/05/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
27 May 2024

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

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

		Group		Bank	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds	6	6,140,967	6,874,702	6,103,853	6,873,677
Deposits and placements with banks and other financial institutions	8	1,784,033	1,084,465	1,784,033	1,084,465
Investment account placement	9	1,364,533	1,537,252	1,364,533	1,537,252
Derivative financial assets	10	1,010,103	923,673	1,010,103	923,673
Financial assets at fair value through profit or loss	11	6,766,682	10,191,801	6,766,649	10,191,764
Financial investments at fair value through other comprehensive income	12	19,700,129	20,306,352	19,700,129	20,306,352
Financial investments at amortised cost	13	7,391,293	9,214,717	7,391,293	9,214,717
Loans and advances	14	86,248,361	82,466,414	86,237,993	82,435,658
Statutory deposit with Bank Negara Malaysia	15	1,678,024	1,552,337	1,678,024	1,552,337
Deferred tax assets	16	192,707	164,294	192,707	164,294
Investment in subsidiaries	17	-	-	13,477	22,487
Investment in associates	18	17,745	18,395	19,598	19,617
Other assets	19	3,035,546	1,948,382	3,033,852	1,946,952
Right-of-use assets	20	196,449	224,596	197,072	225,632
Property and equipment	21	129,645	146,013	123,472	139,705
Intangible assets	22	123,528	202,069	123,528	202,069
TOTAL ASSETS		135,779,745	136,855,462	135,740,316	136,840,651
LIABILITIES AND EQUITY					
Deposits from customers	23	94,337,410	85,378,545	94,341,441	85,391,198
Deposits and placements of banks and other financial institutions	24	7,620,130	8,661,694	7,646,192	8,701,757
Securities sold under repurchase agreements	7	6,328,335	16,466,674	6,328,335	16,466,674
Recourse obligation on loans sold to Cagamas Berhad	25	5,265,017	6,600,036	5,265,017	6,600,036
Derivative financial liabilities	10	1,021,778	966,427	1,021,778	966,427
Term funding	26	1,614,991	1,337,427	1,614,991	1,337,427
Debt capital	27	3,095,000	3,095,000	3,095,000	3,095,000
Other liabilities	28	4,120,130	3,149,963	4,101,878	3,131,790
TOTAL LIABILITIES		123,402,791	125,655,766	123,414,632	125,690,309
Share capital	29	3,040,465	3,040,465	3,040,465	3,040,465
Reserves	30	9,336,363	8,159,086	9,285,219	8,109,877
Equity attributable to equity holder of the Bank		12,376,828	11,199,551	12,325,684	11,150,342
Non-controlling interests	31	126	145	-	-
TOTAL EQUITY		12,376,954	11,199,696	12,325,684	11,150,342
TOTAL LIABILITIES AND EQUITY		135,779,745	136,855,462	135,740,316	136,840,651
COMMITMENTS AND CONTINGENCIES	46	118,118,529	115,723,975	118,178,129	115,768,995
NET ASSETS PER SHARE (RM)		13.03	11.79	12.98	11.74

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

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

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group		Bank	
		2024	**2023**	**2024**	**2023**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Interest income	32	6,187,660	5,059,927	6,183,964	5,054,626
Interest expense	33	(3,962,374)	(2,713,306)	(3,962,472)	(2,713,392)
Net interest income		2,225,286	2,346,621	2,221,492	2,341,234
Other operating income	34	788,536	673,920	789,675	677,365
Share in results of an associate	18	(650)	2,798	-	-
Net income		3,013,172	3,023,339	3,011,167	3,018,599
Other operating expenses	35	(1,324,596)	(1,428,435)	(1,325,165)	(1,428,131)
Operating profit		1,688,576	1,594,904	1,686,002	1,590,468
Allowances for impairment on loans and advances	37	(485,783)	(258,991)	(485,895)	(258,911)
Writeback of provision for commitments and contingencies	28(c)&(d)	39,612	85,280	39,584	85,306
(Allowances for)/writeback of impairment on:					
Financial investments	38	(20,860)	(1,344)	(20,860)	(1,344)
Other financial assets	39	(18,564)	993	(18,526)	981
Non-financial assets	39	(110,717)	-	(110,717)	-
Other recoveries, net		2,379	527	2,379	527
Provision for restructuring expenses		(80,000)	-	(80,000)	-
Profit before taxation		1,014,643	1,421,369	1,011,967	1,417,027
Taxation	40	247,063	(327,632)	247,800	(326,190)
Profit for the financial year		1,261,706	1,093,737	1,259,767	1,090,837
Attributable to:					
Equity holder of the Bank		1,261,686	1,093,738	1,259,767	1,090,837
Non-controlling interests	31	20	(1)	-	-
Profit for the financial year		1,261,706	1,093,737	1,259,767	1,090,837
Earnings per share (sen)					
Basic/diluted earnings per share (sen)	41	132.82	115.14	132.62	114.83

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

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group		Bank	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Profit for the financial year		1,261,706	1,093,737	1,259,767	1,090,837
Other comprehensive income:					
Items that will not be reclassified subsequently to statement of profit or loss					
Equity instruments					
Financial investments at fair value through other comprehensive income					
- net changes in fair value		36,473	(1,085)	36,473	(1,085)
Tax effect	16	440	2,202	440	2,202
Items that may be reclassified subsequently to statement of profit or loss					
Currency translation on offshore operations		19,237	13,342	19,221	13,329
Cash flow hedge					
- amortisation of fair value changes of terminated hedge		4,250	6,320	4,250	6,320
Tax effect	16	(1,020)	(1,517)	(1,020)	(1,517)
Debt instruments					
Financial investments at fair value through other comprehensive income					
- net unrealised gain on changes in fair value		103,524	7,883	103,524	7,883
- net gain reclassified to statements of profit or loss		(17,783)	(286)	(17,783)	(286)
- expected credit loss	12(b)	10,480	(1,111)	10,480	(1,111)
- foreign exchange differences		1	12	1	12
Tax effect	16	(20,578)	(1,823)	(20,578)	(1,823)
Other comprehensive income, net of tax		135,024	23,937	135,008	23,924
Total comprehensive income for the financial year, net of tax		1,396,730	1,117,674	1,394,775	1,114,761
Attributable to:					
Equity holder of the Bank		1,396,710	1,117,675	1,394,775	1,114,761
Non-controlling interests	31	20	(1)	-	-
		1,396,730	1,117,674	1,394,775	1,114,761

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

Registration No. 196901000166 (8515-D)

AMBANK (M) BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Attributable to equity holder of the Bank									
		Non-distributable					Distributable			
Group	**Share capital RM'000**	**Regulatory reserve RM'000**	**Merger reserve RM'000**	**Fair value reserve RM'000**	**Cash flow hedging deficit RM'000**	**Foreign currency translation reserve RM'000**	**Retained earnings RM'000**	**Total attributable equity holder RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 April 2022	3,040,465	94,463	104,149	293,346	(9,062)	88,488	6,470,027	10,081,876	146	10,082,022
Profit/(loss) for the financial year	-	-	-	-	-	-	1,093,738	1,093,738	(1)	1,093,737
Other comprehensive income	-	-	-	5,792	4,803	13,342	-	23,937	-	23,937
Total comprehensive income/(loss) for the financial year	-	-	-	5,792	4,803	13,342	1,093,738	1,117,675	(1)	1,117,674
Transfer to regulatory reserve	-	106,766	-	-	-	-	(106,766)	-	-	-
Transactions with owner and other equity movements	-	106,766	-	-	-	-	(106,766)	-	-	-
At 31 March 2023	3,040,465	201,229	104,149	299,138	(4,259)	101,830	7,456,999	11,199,551	145	11,199,696

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

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D.)

		Attributable to equity holder of the Bank									
			Non-distributable					Distributable			
Group	**Note**	**Share capital RM'000**	**Regulatory reserve RM'000**	**Merger reserve RM'000**	**Fair value reserve RM'000**	**Cash flow hedging deficit RM'000**	**Foreign currency translation reserve RM'000**	**Retained earnings RM'000**	**Total attributable equity holder RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 April 2023		3,040,465	201,229	104,149	299,138	(4,259)	101,830	7,456,999	11,199,551	145	11,199,696
Profit for the financial year		-	-	-	-	-	-	1,261,686	1,261,686	20	1,261,706
Other comprehensive income		-	-	-	112,557	3,230	19,237	-	135,024	-	135,024
Total comprehensive income for the financial year		-	-	-	112,557	3,230	19,237	1,261,686	1,396,710	20	1,396,730
Transfer from regulatory reserve		-	(13,083)	-	-	-	-	13,083	-	-	-
Dissolution of a subsidiary	31	-	-	-	-	-	-	-	-	(39)	(39)
Dividends on ordinary shares	42	-	-	-	-	-	-	(219,433)	(219,433)	-	(219,433)
Transactions with owner and other equity movements		-	(13,083)	-	-	-	-	(206,350)	(219,433)	(39)	(219,472)
At 31 March 2024		3,040,465	188,146	104,149	411,695	(1,029)	121,067	8,512,335	12,376,828	126	12,376,954

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

AMBANK (M) BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D.)

	Attributable to equity holder of the Bank						
		Non-distributable				Distributable	
Bank	**Share capital RM'000**	**Regulatory reserve RM'000**	**Fair value reserve RM'000**	**Cash flow hedging deficit RM'000**	**Foreign currency translation reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2022	3,040,465	94,463	293,346	(9,062)	92,301	6,524,068	10,035,581
Profit for the financial year	-	-	-	-	-	1,090,837	1,090,837
Other comprehensive income	-	-	5,792	4,803	13,329	-	23,924
Total comprehensive income for the financial year	-	-	5,792	4,803	13,329	1,090,837	1,114,761
Transfer to regulatory reserve	-	106,766	-	-	-	(106,766)	-
Transactions with owner and other equity movements	-	106,766	-	-	-	(106,766)	-
At 31 March 2023	3,040,465	201,229	299,138	(4,259)	105,630	7,508,139	11,150,342

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

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D.)

		Attributable to equity holder of the Bank						
			Non-distributable				Distributable	
Bank	**Note**	**Share capital RM'000**	**Regulatory reserve RM'000**	**Fair value reserve RM'000**	**Cash flow hedging deficit RM'000**	**Foreign currency translation reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2023		3,040,465	201,229	299,138	(4,259)	105,630	7,508,139	11,150,342
Profit for the financial year		-	-	-	-	-	1,259,767	1,259,767
Other comprehensive income		-	-	112,557	3,230	19,221	-	135,008
Total comprehensive income for the financial year		-	-	112,557	3,230	19,221	1,259,767	1,394,775
Transfer from regulatory reserve		-	(13,083)	-	-	-	13,083	-
Dividends on ordinary shares	42	-	-	-	-	-	(219,433)	(219,433)
Transactions with owner and other equity movements		-	(13,083)	-	-	-	(206,350)	(219,433)
At 31 March 2024		3,040,465	188,146	411,695	(1,029)	124,851	8,561,556	12,325,684

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

AMBANK (M) BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group		Bank	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		1,014,643	1,421,369	1,011,967	1,417,027
Adjustments for:					
Accretion of discount less amortisation of premium		(123,883)	(154,869)	(123,883)	(154,869)
Amortisation of fair value loss on terminated hedge		4,250	6,320	4,250	6,320
Amortisation of intangible assets	22 & 35	49,852	77,237	49,852	77,237
Amortisation of issuance costs and premium for term funding	26(b)(ii)	583	1,166	583	1,166
Depreciation of property and equipment	21 & 35	47,242	49,883	47,106	49,505
Depreciation of right-of-use assets	20 & 35	68,344	73,770	68,757	74,183
Finance cost for lease liabilities	28(a) & 35	5,736	6,181	5,839	6,296
Finance cost for provision for reinstatement for leased premises	28(b) & 35	55	77	55	77
Loss on disposal of foreclosed properties	34	650	-	650	-
Net (gain)/loss on disposal of property and equipment	34	(105)	(8,957)	2	(133)
Gain on capital reduction of a subsidiary		-	-	-	(1,523)
Gain on liquidation of a subsidiary		-	-	(26)	-
Loss on liquidation of an associate		-	-	1	-
Distribution income from financial investments at fair value through other comprehensive income	34	(6,780)	(8,546)	(6,780)	(8,546)
Dividend income from subsidiaries	34	-	-	-	(10,560)
Allowances for impairment on financial investments	38	20,860	1,344	20,860	1,344
Allowances for/(writeback of) impairment on other financial assets	39	18,564	(993)	18,526	(981)
Allowances for impairment on non-financial assets	39	110,717	-	110,717	-
Provision for restructuring expenses		80,000	-	80,000	-
Loans and advances - allowances, net of writeback	37	671,060	438,620	671,172	438,540
Net adjustment on COVID-19 relief measures		(2,653)	(35,936)	(2,653)	(35,936)
Net (gain)/loss on revaluation of derivatives		(31,079)	68,941	(31,079)	68,941
Net (gain)/loss on revaluation of financial assets at fair value through profit or loss	34	(268,979)	1,402	(268,984)	1,404
Net gain on sale of financial assets at fair value through profit or loss	34	(52,581)	(42,316)	(52,581)	(42,316)
Net gain on sale of financial assets at fair value through other comprehensive income	34	(17,783)	(286)	(17,783)	(286)
Net gain on redemption of financial assets at amortised cost	34	(68,270)	-	(68,270)	-

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D.)

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D.)					
Gain on termination of lease arrangement	34	(358)	(116)	(358)	(116)
Property and equipment written off	21 & 35	7	18	7	1
Reversal of provision for reinstatement of leased premises	28(b)	(11)	-	(11)	-
Share of results of an associate	18(e)	650	(2,798)	-	-
Scheme shares and options granted under AMMB ESS - charge	35	24,522	14,939	24,522	14,939
Unrealised foreign exchange loss on term funding	26(b)(ii)	34,925	21,125	34,925	21,125
Writeback of provision for commitments and contingencies	28(c) & (d)	(39,612)	(85,280)	(39,584)	(85,306)
Operating profit before working capital changes		1,540,566	1,842,295	1,537,799	1,837,533
Decrease/(increase) in operating assets:					
Deposits and placements with banks and other financial institutions		37,190	40,000	37,190	40,000
Investment account placement		172,158	172,142	172,158	172,142
Financial assets at fair value through profit or loss		3,877,911	(7,368,549)	3,877,911	(7,368,549)
Loans and advances		(4,420,439)	(4,020,835)	(4,440,940)	(4,023,166)
Statutory deposit with Bank Negara Malaysia		(125,687)	(1,352,337)	(125,687)	(1,352,337)
Other assets		(666,900)	(83,902)	(666,958)	(82,304)
Increase/(decrease) in operating liabilities:					
Deposits from customers		8,958,865	(478,351)	8,950,243	(479,791)
Deposits and placements of banks and other financial institutions		(1,084,841)	1,248,749	(1,098,842)	1,279,168
Securities sold under repurchase agreements		(10,138,339)	14,883,957	(10,138,339)	14,883,957
Recourse obligation of loans sold to Cagamas Berhad		(1,335,019)	(274,987)	(1,335,019)	(274,987)
Term funding	26	242,056	269,876	242,056	269,876
Other liabilities		972,690	815,340	972,677	808,394
Cash (used in)/generated from operating activities		(1,969,789)	5,693,398	(2,015,751)	5,709,936
Net taxation paid		(265,901)	(414,593)	(264,522)	(412,585)
Net cash (used in)/generated from operating activities		(2,235,690)	5,278,805	(2,280,273)	5,297,351

AMBANK (M) BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D.)

		Group		Bank	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received from subsidiaries	34	-	-	-	10,560
Payment to non-controlling interest from dissolution of a subsidiary	31	(39)	-	-	-
Distribution income received from financial investments at fair value through other comprehensive income	34	6,780	8,546	6,780	8,546
Net redemption/(purchase) of financial investments at fair value through other comprehensive income		741,119	(5,914,485)	741,119	(5,914,485)
Net redemption/(purchase) of financial investments at amortised cost		1,879,069	(3,284,695)	1,879,069	(3,284,695)
Proceeds from liquidation of a subsidiary		-	-	36	-
Proceeds from liquidation of an associate		-	-	18	-
Proceeds from disposal of property and equipment		115	20,378	8	153
Proceeds from capital reduction of a subsidiary		-	-	9,000	10,000
Purchase of intangible assets	22	(83,841)	(61,573)	(83,841)	(61,573)
Purchase of property and equipment	21	(27,780)	(56,029)	(27,779)	(56,029)
Net cash generated from/(used in) investing activities		2,515,423	(9,287,858)	2,524,410	(9,287,523)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid	42	(219,433)	-	(219,433)	-
Payment of lease liabilities	28(a)	(71,742)	(77,068)	(72,235)	(77,560)
Net cash used in financing activities		(291,175)	(77,068)	(291,668)	(77,560)
Net decrease in cash and cash equivalents		(11,442)	(4,086,121)	(47,531)	(4,067,732)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		7,053,121	11,139,096	7,052,096	11,119,682
Effect of exchange rate changes		581	146	581	146
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		7,042,260	7,053,121	7,005,146	7,052,096

AMBANK (M) BERHAD
(Incorporated in Malaysia)
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (CONT'D.)

		Group		Bank	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents comprise:					
Cash and short-term funds	6	6,140,967	6,874,702	6,103,853	6,873,677
Deposits and placements with banks and other financial institutions	8	1,784,033	1,084,465	1,784,033	1,084,465
		7,925,000	7,959,167	7,887,886	7,958,142
Less: Deposits with original maturity more than 3 months	8	(884,033)	(907,860)	(884,033)	(907,860)
		7,040,967	7,051,307	7,003,853	7,050,282
Add back:					
Allowances for expected credit loss ("ECL") for cash and cash equivalents at end of the financial year	6 & 8	1,293	1,814	1,293	1,814
		7,042,260	7,053,121	7,005,146	7,052,096

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

1. CORPORATE INFORMATION

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

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

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

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

The consolidated financial statements of the Bank and its subsidiaries ("the Group") and the separate financial statements of the Bank have been approved and authorised for issue by the Board of Directors on 26 April 2024.

2. ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis unless otherwise indicated in the financial statements.

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

2.2 Statement of compliance

The consolidated financial statements of the Group and the separate financial statements of the Bank have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

2.3 Presentation of financial statements

The financial statements are presented in Ringgit Malaysia (“RM”) and all values are rounded to the nearest thousand (“RM’000”) except when otherwise indicated.

The statements of financial position are presented in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date (“current”) and more than 12 months after the reporting date (“non-current”) is presented in Note 47.

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 2024.

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. that its existing rights give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

Generally, control is established when the Group holds a majority of the voting rights of an investee. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the size of the Group's voting rights and potential voting rights relative to the size and dispersion of voting rights and potential rights held by the other vote holders.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, expenses and cash flows of a subsidiary are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity owners of the Bank and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

On consolidation, the assets and liabilities denominated in foreign currency are translated into RM at the exchange rates prevailing at the reporting date and their profit or loss items are translated at the average exchange rates for the financial year. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign subsidiary or operation, the component of OCI relating to that particular foreign subsidiary or operation is reclassified to profit or loss.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as transaction with equity owners of the Group. If the Group loses control over a subsidiary, it:

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

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary of material accounting policies

2.5a Business combinations and goodwill

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

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

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

2. ACCOUNTING POLICIES (CONT'D.)

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

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

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

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

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

2.5b Investment in subsidiaries

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

2.5c Investment in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investment in associates is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates since the acquisition date. Dividends received or receivable from an associate is recognised as a reduction in the carrying amount of the investment. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statements of profit or loss reflects the Group's share of the results of operations of the associates. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associate.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5c Investment in associates (Cont'd.)

The aggregate of the Group's share of profit or loss of the associates is shown on the face of the statement of profit or loss and represents profit or loss after tax and non-controlling interests in the associates.

When the Group's share of losses in an associate equals or exceeds its interests in the investee, including any long-term interests that, in substance, form part of the Group's net investment in the investee, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associates. At each reporting date, the Group determines whether there is objective evidence that the investment in associates is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value, and recognises the loss as "impairment loss on associates" in profit or loss.

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

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

2.5d Transactions with non-controlling interests

Non-controlling interests represent the portion of equity in subsidiaries not held directly or indirectly by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of financial position, respectively. Any losses applicable to the non-controlling interests in excess of the non-controlling interests are allocated against the interests of the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. In such circumstances, the carrying amounts of the non-controlling interests shall be adjusted to reflect the changes in relative interests in the subsidiaries. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received shall be recognised directly in equity and attributable to the owners of the Group.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5e Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's consolidated financial statements and the Bank's separate financial statements are presented in Ringgit Malaysia ("RM"), which is also the Bank's functional currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded by the entities within the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot exchange rate at the reporting date.

All differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on changes in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.5f Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses. Such cost includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, as well as borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. When significant parts of property and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

2. ACCOUNTING POLICIES (CONT'D.)

2.5 Summary material accounting policies (Cont'd.)

2.5f Property and equipment (Cont'd.)

Freehold land has an unlimited life and therefore, is not depreciated. Work-in-progress which are not yet available for use are not depreciated. Depreciation of other property and equipment is calculated on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets.

The annual depreciation rates for the various classes of property and equipment are as follows:

Leasehold land	2% or remaining lease period (whichever is shorter)
Buildings	2% or over the term of short term lease (whichever is shorter)
Leasehold improvements	15% to 20%
Motor vehicles	20%
Computer equipment	12.5% to 33.3%
Office equipment, furniture and fittings	15% to 50%

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

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if the expectations differ from previous estimates.

2.5g Leases

The determination of whether an arrangement is, or contains, a lease is based on whether the arrangement conveys a right to control the use of the asset, even if that right is not explicitly specified in an arrangement.

The Group and the Bank as a lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities at the date at which the leased asset is available for use by the Group and the Bank.

At the commencement date of the leases, the Group and the Bank recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Bank and payments of penalties for terminating a lease, if the lease term reflects the Group and the Bank exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5g Leases (Cont'd.)

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

In calculating the present value of lease payments, the Group and the Bank use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received (if any). Where applicable, the cost of right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Unless the Group and the Bank are reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. If the Group and the Bank are reasonably certain to obtain ownership of the underlying asset at the end of the lease term, the right-of-use asset is depreciated over the underlying asset's useful life. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term of the assets, as follows:

Premises	50 years or over the term of short term lease
Computer equipment	3 to 8 years

Right-of-use assets are assessed for impairment whenever there is an indication that the right-of- use assets may be impaired.

The Group and the Bank apply the short-term lease recognition exemption to its short-term leases, i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value, i.e. those with a value of RM20,000 or less when new. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.5h Intangible assets, other than goodwill arising from business combination

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

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

2. ACCOUNTING POLICIES (CONT'D.)

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

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

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

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

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual software project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset;
- the ability to measure reliably the expenditure during development; and
- the ability to use the intangible asset generated.

Following initial recognition of the software development expenditure as an asset, the asset is carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight-line basis over the period of expected benefit of 3 years to 10 years. During the period of development, the asset is tested for impairment annually.

2.5i Financial instruments – initial recognition and measurement

(i) Initial recognition

Financial assets and financial liabilities are recognised when the Group and the Bank become a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised using trade date accounting or settlement date accounting. The method used is applied consistently for all purchases and sales of financial assets that belong to the same category of financial assets. The Group and the Bank apply trade date accounting for derivative financial instruments and investments in equity instruments, and settlement date accounting for investments in debt instruments.

(ii) Initial measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, 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 fair value through profit or loss, net of directly attributable transaction costs.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

(iii) "Day 1" profit or loss

At initial measurement, if the transaction price differs from the fair value, the Group and the Bank immediately recognise the difference between the transaction price and fair value (a "Day 1" profit or loss) provided that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. Level 1 input) or based on a valuation technique that uses only data from observable markets. In all other cases, the difference between the transaction price and the fair value is recognised in profit or loss on a systematic and rational basis that reflects the nature of the instrument over its tenure.

2.5j Financial assets – classification and subsequent measurement

The Group and the Bank classify 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").

(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. That is, whether the Group's and the Bank's objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. the financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model. Factors considered by the Group and the Bank in determining the business model for a portfolio of assets include past experience on how the cash flows for these assets were collected, 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 contractual cash flows and sell, the Group and the Bank assess whether the financial assets' contractual cash flows represent solely payment of principal and interest ("SPPI"). In making this assessment, the Group and the Bank consider whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

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

(i) Debt instruments (Cont'd.)

Based on these factors, the Group and the Bank classify the debt instruments into one of the following three measurement categories:

Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at amortised cost using the effective interest method. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured using the methodology described in Note 2.5o. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included in "interest income" in profit or loss. The losses arising from impairment are recognised in the 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 for selling 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 are 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 gains or losses previously recognised in OCI are 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 are reported as "interest income" using the effective interest method.

In addition, financial assets that meet the criteria for amortised cost or FVOCI may be irrevocably designated by management as FVTPL on initial recognition, provided the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis. Such designation is determined on an instrument by instrument basis. Any change in fair value is recognised in profit or loss and presented within "investment and trading income". Interest earned is recognised in "interest income" using the effective interest method.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

(ii) Reclassification of debt investments

The Group and the Bank reclassify debt investments when and only when the business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the financial year.

(iii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group and the Bank subsequently measure all equity investments at FVTPL, except where the management has elected at initial recognition to irrevocably designate an equity investment that is not held for trading at FVOCI. When this election is used, fair value gains and losses are recognised in other comprehensive income and are not subsequently reclassified to profit or loss, including on disposal. Dividends earned whilst holding the equity investment are recognised in profit or loss as "other operating income" when the right to the payment has been established.

Gains and losses on equity investments at FVTPL, including dividends earned, are included in "investment and trading income" in profit or loss.

2.5k Financial liabilities – classification and subsequent measurement

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

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

(i) Amortised cost

Financial liabilities issued by the Group and the Bank, that are not designated at FVTPL, are classified as financial liabilities at amortised cost, where the substance of the contractual arrangement results in the Group and the Bank having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

After initial measurement, term funding, debt capital and other borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

(i) Amortised cost (Cont'd.)

A compound financial instrument which contains both a liability and an equity component is separated at the issue date. A portion of the net proceeds of the instrument is allocated to the debt component on the date of issue based on its fair value (which is generally determined based on the quoted market prices for similar debt instruments). The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the debt component. The value of any derivative features (such as a call option) embedded in the compound financial instrument other than the equity component is included in the debt component.

(ii) FVTPL

This classification is applied to derivatives, financial liabilities held-for-trading and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at FVTPL are presented partially in OCI (being the amount of change in the fair value of the financial liability that is attributable to changes in credit risk of that liability) and partially in profit or loss (i.e. the remaining amount of change in fair value of the liability). This is unless such presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss.

2.5l Derecognition of financial instruments

(i) Derecognition of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Group and the Bank have transferred rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either:
  - the Group and the Bank have transferred substantially all the risks and rewards of the asset; or
  - the Group and the Bank have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Bank have transferred rights to receive cash flows from an asset or have entered into a pass-through arrangement, and have neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's and the Bank's continuing involvement in the asset. In that case, the Group and the Bank also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Bank have retained.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

(ii) Modification of loans and advances

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

- if the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- whether any substantial new terms are introduced, such as a profit share or equity-based return that substantially affects the risk profile of the loan;
- significant extension of the loan term when the borrower is not in financial difficulty;
- significant change in the interest rate;
- change in the currency the loan is denominated in; or
- insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group and the Bank derecognise the original financial asset and recognises a "new" asset at fair value and recalculates a new EIR for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk ("SICR") has occurred. However, the Group and the Bank also assess whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the borrower being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group and the Bank recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognise a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original EIR.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. In addition, other qualitative factors such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and changes in covenants are also taken into consideration. The difference in the respective carrying amount of the original financial liability and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

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

If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred are adjusted to the carrying amount of the financial liability and are amortised over the remaining term of the modified financial liability.

2.5m Repurchase and reverse repurchase agreements

Securities sold under repurchase agreements at a specified future date are not derecognised from the statement of financial position as the Group and the Bank retain substantially all the risks and rewards of ownership. The corresponding cash received is recognised in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest, as a liability within "securities sold under repurchase agreements", reflecting the transaction's economic substance as a loan to the Group and the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of the agreement using the EIR. When the counterparty has the right to sell or repledge the securities, the Group and the Bank reclassify those securities in the statement of financial position to "financial assets at FVTPL pledged as collateral" or to "financial investments at FVOCI pledged as collateral", as appropriate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest is recorded in the statement of financial position, within "securities purchased under resale agreements", reflecting the transaction's economic substance as a loan by the Group and the Bank. The difference between the purchase and resale prices is recorded in "net interest income" and is accrued over the life of the agreement using the EIR.

If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within "financial liabilities at FVTPL" and measured at fair value with any gains or losses included in "investment and trading income".

2.5n Fair value measurement

The Group and the Bank measure financial instruments such as financial assets at FVTPL, financial investments at FVOCI and derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group and to the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5n Fair value measurement (Cont'd.)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Bank use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and/or
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets or liabilities that are recognised at fair value in the financial statements on a recurring basis, the Group and the Bank determine whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value hierarchies of the following are disclosed in Note 50:

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

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

The Group and the Bank assess on a forward-looking basis the ECL associated with debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Group and the Bank recognise a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss, except for debt instruments measured at FVOCI. Interest income continues to be accrued in profit or loss on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment 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.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

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

The methodology applied in measuring ECL is explained in Note 49.2.

Loans 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

Where possible, the Group and the Bank seek to reschedule or restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan 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 reclassification back to performing status.

(ii) Collateral valuation

The Group and the Bank seek to use collateral, where possible, to mitigate its risks on financial assets. The collateral comes in various forms such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. The fair value of collateral is generally assessed, at a minimum, at inception and based on the Group's and the Bank's quarterly reporting schedule, however, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group and the Bank use active market data for valuing financial assets held as collateral. Other financial assets which do not have a readily determinable market value are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, housing price indices, audited financial statements, and other independent sources. (See Note 49.2 for further analysis of collateral).

2. ACCOUNTING POLICIES (CONT'D.)

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

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

(iii) Collateral repossessed

The Group's and the Bank's policy is to determine whether a repossessed asset is best used for internal operations or should be sold. Repossessed financial assets determined to be useful for the internal operations are classified based on their characteristics, business model and the cash flow characteristics, and are measured at their fair value in the same manner as described in Note 2.5n. Repossessed non-financial assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value and the carrying value of the original secured asset. Repossessed assets that are determined better to be sold are immediately transferred to assets held for sale if the sale is deemed highly probable within a short period following the repossession, whereby financial assets are measured at their fair value whereas non-financial assets are measured at the lower of fair value less cost to sell at the repossession date and the carrying value of the original secured asset.

2.5p Hedge accounting

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

At inception of the hedge relationship, the Group and the Bank formally document the relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

At each hedge effectiveness assessment date, a hedge relationship must be expected to be highly effective on a prospective basis for the designated period in order to qualify for hedge accounting. A formal assessment is undertaken by comparing the hedging instrument's effectiveness in offsetting the changes in fair value or cash flows attributable to the hedged risk in the hedged item, both at inception and at each quarter end on an ongoing basis. Hedge ineffectiveness is recognised in profit or loss. For situations where the hedged item is a forecast transaction, the Group and the Bank also assess whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

(i) Fair value hedges

The change in the fair value of a hedging derivative is recognised in "investment and trading income" in profit or loss. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in "investment and trading income" in the statement of profit or loss.

For fair value hedges relating to items recorded at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5p Hedge accounting (Cont'd.)

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the "cash flow hedge reserve", while any ineffective portion is recognised immediately in "investment and trading income" in the statement of profit or loss.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non- financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

2.5q Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.5r Impairment of non-financial assets

The Group and the Bank assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Bank estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

For assets excluding goodwill and intangible assets with indefinite useful lives, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Bank estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

The following assets have specific characteristics for impairment testing:

(i) Goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(ii) Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.5s Foreclosed properties

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

2.5t Cash and cash equivalents

Cash and short-term funds in the statements of financial position comprise cash and bank balances with banks and other financial institutions and short-term deposits maturing within one month.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short- term funds with original maturity of less than 3 months, excluding deposits and monies held in trust and net of outstanding bank overdrafts.

2.5u Contingent liabilities and contingent assets

A contingent liability is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or in extremely rare cases whereby there is a liability that cannot be recognised because it cannot be measured with sufficient reliability. The contingent liability is not recognised but instead is disclosed in the financial statements. A possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and of the Bank are also disclosed as a contingent liability unless the probability of outflow or economic resources is remote.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group and of the Bank. The Group and the Bank do not recognise contingent assets in the financial statements but disclose their existence where inflows of economic benefits are probable, but not virtually certain.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5v Financial guarantee contracts and loans commitments

Financial guarantee contracts issued by the Group and the Bank are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance (calculated as described in Note 2.5o) and the premium received on initial recognition less income recognised in accordance with the principles of *Revenue from Contract with Customers* ("MFRS 15").

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

2.5w Recognition of income and expenses

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

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

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

(i) Interest income and similar income and expense

For all interest-bearing financial assets and financial liabilities measured at amortised cost, interest bearing financial investments at FVOCI and financial assets and financial liabilities at FVTPL, interest income or expense is calculated using the effective interest method ("EIR"). 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 net carrying amount of the financial asset or 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 its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original EIR and the change in carrying amount is recorded in profit or loss. However, for a reclassified financial asset for which the Group and the Bank subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Loan commitment fees for loans 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 loan.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

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

(ii) Dividend income

Revenue is recognised when the Group's and the Bank's right to receive the payment is established, it is probable that the economic benefits will flow to the Group and the Bank and the amount of payment can be reliably measured. The conditions are generally met when shareholders approve the dividend.

(iii) Investment and trading income

Results arising from trading activities include all gains and losses from changes in fair value and dividends from financial assets at FVTPL. This includes any ineffectiveness recorded in hedging transactions.

(B) Recognition of revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer as or when the Group and the Bank transfer the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and the Bank and its 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.

The consideration allocated to each performance obligation is recognised as revenue as or when the customer obtains control of the goods or services. At the inception of each contract with customer, the Group and the Bank determine whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Revenue is recognised over time if the control over the goods or services is transferred over time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

2. ACCOUNTING POLICIES (CONT'D.)

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

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

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

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

(i) Fee and commission income

The Group and the Bank earn fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

Fee income earned from services that are provided over a period of time

Fees earned for the provision of services over a period of time are accrued over that period by reference to the stage of completion of the services. These fees include loan arrangement, commission income, custody and other management and advisory fees. Loan commitment fees for loans that are unlikely to be drawn down are recognised over the commitment period on a straight-line basis.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria. Commission income from the sale of unit trusts is recognised upon allotment of units, calculated as a percentage of sales value.

(ii) Customer loyalty programmes

Award credits under customer loyalty programmes are accounted for as a separately identifiable component of the transaction in which the award credits are granted. The fair value of the consideration received in respect of the initial sale is allocated between the award credits and the other components of the transaction on a relative stand-alone selling price basis. If stand-alone selling price of the other component is uncertain, the Group and the Bank estimate the stand-alone selling price by reference to the total transaction price less the fair value of the award credits. Revenue from the award credits is recognised when the award credits are redeemed or expired. The amount of revenue recognised when the award credits are redeemed is based on the number of award credits redeemed relative to the total number expected to be redeemed.

2.5x Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions that are expected to be settled wholly within 12 months after the end of the financial year in which the employees render the related service are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and the Bank and are measured at the amounts paid or expected to be paid when the liabilities are settled. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5x 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 are demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting date are discounted to present value.

(iv) Shared-based payment transactions

The holding company, AMMB, operates an equity-settled share-based compensation scheme wherein shares or options to subscribe for shares of AMMB are granted to eligible directors and employees of AMMB Group based on the financial and performance criteria and such conditions as it may deem fit.

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 from the beginning to the end of that period.

2.5y Dividends on ordinary shares

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

Dividends for the year that are approved between the end of the reporting year and the date the financial statements are authorised for issue are disclosed as an event after the reporting year.

2. ACCOUNTING POLICIES (CONT'D.)

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

2.5z Taxes

(i) Current tax

Current tax assets and liabilities for the current and prior financial years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss. Current taxes relating to items recognised in OCI or directly in equity is 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.)

2.5z 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.

2.5aa Earnings Per Share ("EPS")

The Group presents basic and diluted (where applicable) EPS data for its ordinary shares in Note 41. Basic EPS is calculated by dividing profit or loss attributable to ordinary shareholder of the Bank by the weighted average number of ordinary shares outstanding during the financial year. Diluted EPS is determined by adjusting profit or loss attributable to ordinary shareholder and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2.5ab Segment reporting

Segment reporting in the financial statements is presented on the same basis as is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to operating segments. Operating segments are distinguishable components of the Group about which separate financial information is available and is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Reportable segments are operating segments or aggregations of operating segments of similar economic characteristics that meet specific aggregation criteria.

The Group's segmental reporting is based on the following five operating segments: retail banking, business banking, wholesale banking, investment banking and group funding and others, as disclosed in Note 52.

2.5ac Government grant

A government grant is recognised only when there is a reasonable assurance that the grant will be received and all attached conditions will be met. It is measured at its fair value and is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. The benefit of a government loan at a below-market rate of interest, measured as the difference between the fair value of the loan and proceeds received, is similarly treated as a government grant.

3. CHANGES IN ACCOUNTING POLICIES

3.1 Adoption of Amendments to Standards

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to published standards:

- Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101 *Presentation of Financial Statements*)
- Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements*)
- Definition of Accounting Estimates (Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 *Income Taxes*)
- International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 *Income Taxes*)

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

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

3.1a Classification of Liabilities as Current or Non-Current (Amendments to MFRS 101 *Presentation of Financial Statements)*

The amendments clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. Classification is unaffected by the expectations or intentions of the entity, as well as events after the reporting date. The adoption of these amendments did not result in any impact to the financial statements of the Group and the Bank.

3.1b Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements*)

The amendments require entities to disclose material accounting policies rather than significant accounting policies in the financial statements. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosures on MFRS applications.

An accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the users make based on those financial statements. Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Immaterial accounting policy information need not be disclosed. The adoption of these amendments did not result in any material impact to the financial statements of the Group and the Bank.

3.1c Definition of Accounting Estimates (Amendments to MFRS 108 *Accounting Policies, Changes In Accounting Estimates and Errors*)

The amendments redefined accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty" and provide clarity on how to distinguish changes in accounting policies from changes in accounting estimates.

The amendments further clarified that effects of a change in an input or measurement technique used to develop an accounting estimate (for example, expected credit losses, fair value of an asset or liability, and depreciation for property and equipment) is a change in accounting estimate, if they do not arise from prior period errors. The adoption of these amendments did not result in any material impact to the financial statements of the Group and the Bank.

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

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

3.1d Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 *Income Taxes*)

The amendments clarified that the initial exemption rule from recognising deferred taxes does not apply to transactions where both an asset and a liability are recognised at the same time resulting in equal amounts of taxable and deductible temporary differences. This essentially means that lessees would not be able to apply the initial exemption rule in MFRS 112 for the assets and liabilities arising from leases. The adoption of these amendments did not result in any material impact to the financial statements of the Group and the Bank.

3.1e International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 *Income Taxes*)

The amendments introduced a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules. The adoption of these amendments did not result in any impact to the financial statements of the Group and the Bank as the Group's activities are principally conducted in Malaysia.

3.2 Standards issued but not yet effective

The following are new amendments to published standards issued but not yet effective up to the date of issuance of the Group's and of the Bank's financial statements. The Group and the Bank intend to adopt the relevant amendments to published standards when they become effective.

	Description	Effective for annual periods beginning on or after
-	Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 *Leases*)	1 January 2024
-	Non-current Liabilities with Covenants (Amendments to MFRS 101 *Presentation of Financial Statements*)	1 January 2024
-	Supplier Finance Arrangements (Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures*)	1 January 2024
-	Lack of Exchangeability (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)	1 January 2025
-	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investments in Associates and Joint Ventures*)	To be determined by MASB

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

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

3.2 Standards issued but not yet effective (Cont'd.)

3.2a Amendments to published standards effective for financial year ending 31 March 2025

Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 *Leases*)

The amendments clarified that after the commencement date, seller-lessee determines lease payments and revised leased payments in a way that does not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Non-current Liabilities with Covenants (Amendments to MFRS 101 *Presentation of Financial Statements*)

The amendments clarified that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or non-current at the reporting date. However, those covenants that an entity is required to comply with on or before reporting date would affect classification as current or non-current, even if the covenant is only assessed after the entity's reporting date.

Supplier Finance Arrangements (Amendments to MFRS 107 *Statement of Cash Flows* and MFRS 7 *Financial Instruments: Disclosures*)

The amendments introduced new disclosure requirements for supplier finance arrangements which include terms and conditions of supplier financing arrangements, the amounts of the liabilities that are the subject of such agreements, the range of payment due dates and information on liquidity risk.

3.2b Amendments to published standards effective for financial year ending 31 March 2026

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

The amendments clarified when a currency is exchangeable into another currency and how an entity estimates a spot rate when a currency lacks exchangeability. New disclosure requirements include the nature and financial impacts of the currency not being exchangeable, spot exchange rate used, estimation process and risks to the entity when the currency is not exchangeable.

3.2c Standard effective on a date to be determined by MASB

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investments in Associates and Joint Ventures*)

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

4. SIGNIFICANT CHANGES IN REGULATOR REQUIREMENT

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

5. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in accordance with MFRSs requires management to make judgments, 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. Judgments, estimates and assumptions are continually evaluated and are based on past experience, reasonable expectations of future events and other factors. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

5.1 Measurement of ECL allowances (Notes 6, 8, 9, 12, 13, 14, 19, 28, 37, 38 and 39)

The measurement of the ECL allowances for financial assets measured at amortised cost, FVOCI, loan commitments and financial guarantee contracts requires the use of complex models and material 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 49.2.

Components of ECL models that involve material judgment includes:

- determining criteria for significant increase in credit risk in the qualitative assessment and the impact of the instrument being measured at lifetime ECL basis due to significant increase in credit risk;
- choosing appropriate models and assumptions including the various formulas and choice of inputs for the measurement of ECL;
- establishing the forward-looking macroeconomic scenarios and the associated probability weightings, which are used in forward-looking ECL measurement;
- establishing groups of similar financial assets for the purposes of measuring ECL; and
- application of the Group's internal credit grading model which assigns Probability of Default ("PD") to the individual grades.

5.2 Lease term of agreements with renewal options (Note 20)

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 its leases to lease the assets for additional terms of three to twelve years. The extension options held are exercisable only by the Group or the Bank and not by the respective lessor. In determining the lease term, the Group and the Bank consider all facts and circumstances that create an economic incentive to exercise an extension option. Factors considered include historical lease durations and the costs and business disruption required to replace the leased asset. After the commencement date, the Group and the Bank reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its 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 its leases of premises due to the significance of these assets to its operations.

5.3 Deferred tax assets and income taxes (Notes 16, 19, 28 and 40)

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 judgment 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.

5. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D.)

5.3 Deferred tax assets and income taxes (Notes 16, 19, 28 and 40) (Cont'd.)

Material judgment 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 judgment 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.

5.4 Fair value measurements of financial instruments (Notes 10, 11, 12, 34 and 50)

When the fair value 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, judgment is required to establish fair values. Judgments include considerations of liquidity and model inputs such as volatility for longer-dated derivatives and discount rates, prepayment rates and default rate assumptions for asset-backed securities.

5.5 Development costs (Note 22)

Costs incurred in the development and implementation of software systems for the Group are capitalised as development costs if specific criteria are met. In determining whether the costs are capitalisable, management applies judgment to ascertain the technical feasibility of completing the intangible asset, which is usually evidenced by the achievement of defined milestone according to an established project management model.

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

Investments in subsidiaries and associates ("investments") are for a long-term basis and the Group and the Bank determine whether the carrying amounts of its investments are impaired as and when there is indication of impairment at reporting date. This requires an estimation of the value-in-use ("VIU") of the investments which is attributable to those investments. Estimating a VIU amount requires management to make an estimate of the expected future cash flows from the investments and also to use a suitable discount rate in order to calculate the VIU.

6. CASH AND SHORT-TERM FUNDS

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	3,549,652	2,437,035	3,548,794	2,436,010
Deposits and placements maturing within one month:				
Licensed banks	1,312,608	3,009,415	1,276,352	3,009,415
Bank Negara Malaysia	1,280,000	1,430,000	1,280,000	1,430,000
	2,592,608	4,439,415	2,556,352	4,439,415
Total cash and bank balances and deposits and placements	6,142,260	6,876,450	6,105,146	6,875,425
Less: Allowances for ECL	(1,293)	(1,748)	(1,293)	(1,748)
	6,140,967	6,874,702	6,103,853	6,873,677
Deposits and placements with original maturity of:				
Three months or less	2,592,608	4,439,415	2,556,352	4,439,415

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
2024			
Balance at beginning of the financial year	1,448	300	1,748
Net writeback of ECL (Note 39):	(206)	(270)	(476)
New financial assets originated	15,265	686	15,951
Financial assets derecognised	(19,571)	(686)	(20,257)
Transfer from deposits and placements with banks and other financial institutions (Note 8)	3,900	-	3,900
Transfer to Stage 1	1	(273)	(272)
Net remeasurement of allowances	199	3	202
Foreign exchange differences	20	1	21
Balance at end of the financial year	1,262	31	1,293
2023			
Balance at beginning of the financial year	2,072	21	2,093
Net (writeback of)/allowance for ECL (Note 39):	(715)	341	(374)
New financial assets originated	16,914	685	17,599
Financial assets derecognised	(23,664)	(585)	(24,249)
Transfer from deposits and placements with banks and other financial institutions (Note 8)	6,204	35	6,239
Transfer to Stage 1	5	(24)	(19)
Net remeasurement of allowances	(174)	230	56
Foreign exchange differences	91	(62)	29
Balance at end of the financial year	1,448	300	1,748

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

7. SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

The amount represents the liabilities in correspondence to the cash received from the sale of securities under repurchase agreements, whereby the securities are not derecognised as the Group and the Bank retain substantially all of the risks and rewards of ownership of the securities.

8. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group and Bank	
	2024	**2023**
	RM'000	**RM'000**
Licensed banks	-	176,671
Licensed Islamic bank (a related company)	84,033	107,860
Licensed investment bank (a related company)	1,700,000	800,000
	1,784,033	1,084,531
Less: Allowances for ECL	-	(66)
	1,784,033	1,084,465
Deposits and placements with original maturity of:		
Three months or less	900,000	176,671
More than three months	884,033	907,860
	1,784,033	1,084,531

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

The Bank has received a refund of RM37.2 million from AmBank Islamic during the current financial year. As a result, RM11.8 million of fair value gain arising from the difference between the concession rates received and market rates and total unwinding amount of gain of RM1.6 million (2023: gain of RM4.4 million) was recognised as net of interest income on short term funds and deposits with financial institutions in the current year as disclosed in Note 32.

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
2024			
Balance at beginning of the financial year	66	-	66
Net writeback of ECL (Note 39):	(66)	-	(66)
New financial assets originated	3,002	-	3,002
Transfer to cash and short-term funds (Note 6)	(3,900)	-	(3,900)
Net remeasurement of allowances	832	-	832
Balance at end of the financial year	-	-	-
2023			
Balance at beginning of the financial year	1,325	-	1,325
Net writeback of ECL (Note 39):	(1,259)	-	(1,259)
New financial assets originated	5,042	35	5,077
Transfer to cash and short-term funds (Note 6)	(6,204)	(35)	(6,239)
Net remeasurement of allowances	(97)	-	(97)
Balance at end of the financial year	66	-	66

The decrease in allowances for ECL for the current financial year is mainly due to transfer to cash and short-term fund offset by new financial assets originated.

9. INVESTMENT ACCOUNT PLACEMENT

	Group and Bank	
	2024	2023
	RM'000	RM'000
Licensed Islamic bank	1,366,363	1,538,521
Less: Allowances for ECL	(1,830)	(1,269)
	1,364,533	1,537,252

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

As at 31 March 2024, the gross exposure (inclusive interest receivable disclosed in other assets) relating to the RA financing for the Group and the Bank amounted to RM1,370.0 million (31 March 2023: RM1,541.9 million). No stage 2 and 3 ECL is provided for the RA financing as at 31 March 2024 and 31 March 2023.

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000
2024	
Balance at beginning of the financial year	1,269
Net allowance for ECL (Note 39):	561
New financial assets originated	1,830
Financial assets derecognised	(1,269)
Balance at end of the financial year	1,830
2023	
Balance at beginning of the financial year	2,179
Net writeback of ECL (Note 39):	(910)
Net remeasurement of allowances	(910)
Balance at end of the financial year	1,269

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

10. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Group and Bank	2024 Contract/ Notional amount RM'000	2024 Fair value assets RM'000	2024 Fair value liabilities RM'000	2023 Contract/ Notional amount RM'000	2023 Fair value assets RM'000	2023 Fair value liabilities RM'000
Trading Derivatives						
Interest rate related contracts:						
- One year or less	8,781,793	30,589	13,523	12,307,294	24,561	18,526
- Over one year to three years	5,934,903	71,306	45,658	10,601,808	127,175	62,926
- Over three years	21,026,451	273,386	124,426	12,338,331	250,386	135,228
Foreign exchange related contracts:						
- One year or less	47,126,315	452,335	455,859	46,163,847	304,654	380,021
- Over one year to three years	1,479,541	147,553	260,108	3,196,283	111,043	147,727
- Over three years	3,266,948	3,934	49,571	3,253,945	86,880	198,102
Equity and commodity related contracts:						
- One year or less	2,618,763	30,712	72,345	1,352,573	12,452	17,353
- Over one year to three years	18,840	288	288	79,802	6,522	6,544
Total	90,253,554	1,010,103	1,021,778	89,293,883	923,673	966,427

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

Derivative Financial Instruments and Hedge Accounting

(i) Cash flow hedge

Interest rate risk

The Group's and the Bank's cash flow hedges principally consist of interest rate swaps that are used to protect against exposures to variability in future interest cash flows on variable rate interest bearing assets and incurring liabilities. This hedging strategy is applied towards treasury fixed deposits and short-term treasury deposits. The amounts and timing of future cash flows, representing both principal and interest flows, are projected for each portfolio on the basis of their contractual terms and other relevant factors, including estimates of early repayment for loans and withdrawal for deposits. As a result, the Group and the Bank adopt a dynamic hedging strategy (sometimes referred to as a "macro" or "portfolio" hedge) to hedge the exposure profile by closing and entering into new swap agreements at each month-end. The aggregate principal balances and interest cash flows over time form the basis for identifying gains and losses on the effective portions of derivatives designated as cash flow hedges of forecast transactions. Gains and losses are initially recognised directly in equity in the cash flow hedge reserve and are transferred to profit or loss when the forecast cash flows affect the profit or loss. The effectiveness of this hedge is assessed with reference to the effectiveness requirements as set out in MFRS 9, which include demonstrating economic relationship, assessing the effect of credit risk and calculating hedge ratio.

The Group and the Bank establish the hedging ratio by matching the notional of the derivative with the principal of the portfolio being hedged. The main source of ineffectiveness is the differences in timing of cash flows between debt instruments and interest rate swaps.

All gains and losses associated with the ineffective portion of the hedging derivatives are recognised immediately in profit or loss. No ineffectiveness amount recognised by the Group and the Bank in profit or loss during the current and previous financial years in respect of cash flow hedges.

The Group and the Bank had discontinued its cash flow hedges on its variable rate short-term treasury deposits and fixed deposits portfolio using interest rate swaps with a total notional value of RM1.4 billion. Hence, the total unamortised fair value balances in the cash flow hedging reserve are to be amortised to the profit or loss over the remaining life of the hedge instruments. Total fair value loss amortised during the current financial year was RM4,250,000 (2023: loss of RM6,320,000).

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

	Group and Bank	
	2024	**2023**
	RM'000	**RM'000**
Cash flow hedges		
Interest rate risk:		
Balance at beginning of the financial year	(4,259)	(9,062)
Amortisation of fair value	4,250	6,320
Taxation	(1,020)	(1,517)
Balance at end of the financial year	(1,029)	(4,259)

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

		Group		Bank	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
At fair value					
Money market instruments:					
Bank Negara Monetary Notes		788,949	2,163,416	788,949	2,163,416
Malaysian Treasury Bills		636,441	5,057,052	636,441	5,057,052
Malaysian Government Investment Issues		476,634	287,727	476,634	287,727
Malaysian Government Securities		1,909,429	582,357	1,909,429	582,357
		3,811,453	8,090,552	3,811,453	8,090,552
Quoted securities:					
In Malaysia:					
Shares	(a)	780,376	627,691	780,376	627,691
Unit trusts		44,875	20,537	44,875	20,537
Sukuk		10,249	10,236	10,249	10,236
		835,500	658,464	835,500	658,464
Outside Malaysia:					
Shares	(a)	1,015,733	446,560	1,015,729	446,556
Unquoted securities:					
In Malaysia:					
Shares		29	33	-	-
Corporate bonds and sukuk		1,103,967	996,192	1,103,967	996,192
		1,103,996	996,225	1,103,967	996,192
		6,766,682	10,191,801	6,766,649	10,191,764

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

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

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
At fair value					
Money market instruments:					
Bank Negara Monetary Notes		-	247,160	-	247,160
Malaysian Government Investment Issues ("MGII")		3,630,267	3,430,007	3,630,267	3,430,007
Malaysian Government Securities ("MGS")		4,703,417	4,243,108	4,703,417	4,243,108
Foreign Government Investment Issues		13,931	13,309	13,931	13,309
Malaysian Treasury Bills		-	1,625,810	-	1,625,810
Negotiable Instruments of Deposit		200,013	1,193,273	200,013	1,193,273
		8,547,628	10,752,667	8,547,628	10,752,667
Quoted securities:					
In Malaysia:					
Unit trusts		58,717	60,551	58,717	60,551
		58,717	60,551	58,717	60,551
Unquoted securities:					
In Malaysia:					
Corporate bonds and sukuk		10,378,218	8,805,585	10,378,218	8,805,585
Shares	(a)	714,780	676,523	714,780	676,523
		11,092,998	9,482,108	11,092,998	9,482,108
Outside Malaysia:					
Corporate bonds and sukuk		-	10,291	-	10,291
Shares	(a)	786	735	786	735
		786	11,026	786	11,026
		19,700,129	20,306,352	19,700,129	20,306,352

(a) Equity investments at fair value through other comprehensive income comprise the following individual investments:

	Group and Bank 2024 Carrying value RM'000	Group and Bank 2024 Dividend income RM'000	Group and Bank 2023 Carrying value RM'000	Group and Bank 2023 Dividend income RM'000
Quoted securities in Malaysia:				
Unit trusts				
AmFIRST Real Estate Investment Trust	58,717	4,367	60,551	5,633
Unquoted securities in Malaysia:				
Shares				
ABM Investments Sdn Bhd	1	-	1	-
Cagamas Holdings Berhad	418,324	2,413	404,505	2,413
Credit Guarantee Corporation Malaysia Berhad	94,224	-	83,412	-
Financial Park (Labuan) Sdn Bhd	84,612	-	84,647	500
Payments Network Malaysia Sdn Bhd	117,619	-	103,958	-
	714,780	2,413	676,523	2,913
Unquoted securities outside Malaysia:				
Shares				
S.W.I.F.T. SCRL	786	-	735	-

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

(a) Equity investments at fair value through other comprehensive income comprise the following individual investments: (cont'd.)

The Group and the Bank elected to present in other comprehensive income for changes in the fair value of the above equity investments because these equity investments are held for long-term strategic or socio-economic purposes instead of for selling in the near term or for short-term profit taking.

The Bank owns 26.7% of AmFIRST Real Estate Investment Trust ("AmFirst REIT"). However, the Bank has restricted voting power as stated in the Trust Deed. As such, the Bank is deemed to have no significant influence and the investment is recognised as financial investments at fair value through other comprehensive income.

There have been no new acquisition or disposal of equity investments at fair value through other comprehensive income during the current and previous financial years.

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

Group and Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
2024			
Balance at beginning of the financial year	8,562	1,979	10,541
Net allowances for ECL (Note 38):	8,963	1,517	10,480
- Transfer to Stage 2	(9)	146	137
New financial assets originated	7,976	1,399	9,375
Financial assets derecognised	(3,628)	(100)	(3,728)
Net remeasurement of allowances	4,624	72	4,696
Foreign exchange differences	1	-	1
Balance at end of the financial year	17,526	3,496	21,022
2023			
Balance at beginning of the financial year	8,038	3,602	11,640
Net allowances for/(writeback of) ECL (Note 38):	512	(1,623)	(1,111)
- Transfer to Stage 1	153	(2,411)	(2,258)
- Transfer to Stage 2	(1,106)	2,365	1,259
New financial assets originated	9,852	-	9,852
Financial assets derecognised	(6,467)	(2,996)	(9,463)
Net remeasurement of allowances	(1,920)	1,419	(501)
Foreign exchange differences	12	-	12
Balance at end of the financial year	8,562	1,979	10,541

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

13. FINANCIAL INVESTMENTS AT AMORTISED COST

	Group and Bank	
	2024	**2023**
	RM'000	**RM'000**
At amortised cost		
Money market instruments:		
Malaysian Government Investment Issues	946,020	2,459,308
Malaysian Government Securities	795,703	1,346,712
	1,741,723	3,806,020
Unquoted securities:		
In Malaysia:		
Corporate bonds and sukuk	5,699,991	5,448,738
	7,441,714	9,254,758
Less: Allowances for ECL	(50,421)	(40,041)
	7,391,293	9,214,717

Movements in allowances for ECL are as follows:

Group and Bank	Stage 1 12-Month ECL RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2024			
Balance at beginning of the financial year	4,758	35,283	40,041
Net allowances for ECL (Note 38):	9,029	1,351	10,380
New financial assets originated	6,086	-	6,086
Net remeasurement of allowances	3,986	1,351	5,337
Financial assets derecognised	(1,043)	-	(1,043)
Balance at end of the financial year	13,787	36,634	50,421
2023			
Balance at beginning of the financial year	3,314	34,272	37,586
Net allowances for ECL (Note 38):	1,444	1,011	2,455
New financial assets originated	2,811	-	2,811
Net remeasurement of allowances	(473)	1,011	538
Financial assets derecognised	(894)	-	(894)
Balance at end of the financial year	4,758	35,283	40,041

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

14. LOANS AND ADVANCES

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Overdrafts	1,973,452	2,156,953	1,973,452	2,156,953
Term loans	27,793,774	25,688,680	27,793,774	25,688,680
Housing loan receivables	30,284,316	28,985,834	29,931,579	28,598,522
Hire purchase receivables	9,279,460	9,535,473	9,279,460	9,535,473
Bills receivables	2,598,509	2,223,438	2,598,509	2,223,438
Trust receipts	2,103,003	2,074,012	2,103,003	2,074,012
Claims on customers under acceptance credits	4,689,444	4,604,485	4,689,444	4,604,485
Card receivables	1,707,587	1,600,986	1,707,587	1,600,986
Revolving credits	6,919,288	6,684,854	7,261,425	7,041,064
Staff loans	83,286	81,377	83,286	81,377
Others	187,659	134,228	187,659	134,228
Gross loans and advances	87,619,778	83,770,320	87,609,178	83,739,218
Less: Allowances for ECL (Note 14(i)):				
- Stage 1 - 12-month ECL	(224,192)	(160,839)	(224,423)	(160,826)
- Stage 2 - Lifetime ECL not credit-impaired	(691,248)	(719,574)	(691,198)	(719,487)
- Stage 3 - Lifetime ECL credit-impaired	(455,977)	(423,493)	(455,564)	(423,247)
Net loans and advances	86,248,361	82,466,414	86,237,993	82,435,658

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

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	1,086,241	1,053,846	1,428,377	1,410,056
Domestic business enterprises				
- Small and medium enterprises	20,762,827	19,814,532	20,762,827	19,814,532
- Others	20,161,392	18,233,263	20,161,392	18,233,263
Government and statutory bodies	29,289	43,059	29,289	43,059
Individuals	44,324,965	43,187,593	43,972,229	42,800,281
Other domestic entities	5,377	8,730	5,377	8,730
Foreign individuals and entities	1,249,687	1,429,297	1,249,687	1,429,297
	87,619,778	83,770,320	87,609,178	83,739,218

14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
In Malaysia	87,469,912	83,487,307	87,459,312	83,456,205
Outside Malaysia	149,866	283,013	149,866	283,013
	87,619,778	83,770,320	87,609,178	83,739,218

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

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate				
- Housing loans	427,052	451,584	74,316	64,272
- Hire purchase receivables	9,001,660	9,202,544	9,001,660	9,202,544
- Other fixed rate loans	7,582,263	7,217,452	7,582,263	7,217,452
Variable rate				
- Base rate and base lending rate plus	49,031,022	46,088,162	49,031,022	46,088,162
- Cost plus	20,742,923	19,955,047	21,085,059	20,311,257
- Other variable rates	834,858	855,531	834,858	855,531
	87,619,778	83,770,320	87,609,178	83,739,218

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

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Agriculture	1,449,173	1,196,390	1,449,173	1,196,390
Mining and quarrying	1,680,024	1,536,699	1,680,024	1,536,699
Manufacturing	11,440,034	10,909,186	11,440,034	10,909,186
Electricity, gas and water	1,100,462	984,557	1,100,462	984,557
Construction	3,912,660	3,499,629	3,912,660	3,499,629
Wholesale and retail trade and hotels and restaurants	9,569,443	8,885,936	9,569,443	8,885,936
Transport, storage and communication	2,419,231	3,474,022	2,419,231	3,474,022
Finance and insurance	1,315,485	1,321,740	1,657,621	1,677,950
Real estate	6,952,824	5,416,597	6,952,824	5,416,597
Business activities	1,878,804	1,750,699	1,878,804	1,750,699
Education and health	1,099,576	1,086,144	1,099,576	1,086,144
Household of which:	44,801,440	43,703,372	44,448,704	43,316,060
- Purchase of residential properties	30,517,032	29,236,771	30,164,296	28,849,459
- Purchase of transport vehicles	8,132,243	8,552,962	8,132,243	8,552,962
- Others	6,152,165	5,913,639	6,152,165	5,913,639
Others	622	5,349	622	5,349
	87,619,778	83,770,320	87,609,178	83,739,218

14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	21,297,533	20,735,269	21,637,055	21,088,410
Over one year to three years	5,588,329	5,362,794	5,583,611	5,356,972
Over three years to five years	7,159,736	9,504,168	7,152,626	9,496,464
Over five years	53,574,180	48,168,089	53,235,886	47,797,372
	87,619,778	83,770,320	87,609,178	83,739,218

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

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Balance at beginning of the financial year	1,375,292	1,047,502	1,374,240	1,046,185
Impaired during the financial year	1,396,431	1,141,705	1,395,261	1,141,134
Reclassified as performing	(161,446)	(161,738)	(161,134)	(161,143)
Recoveries	(450,578)	(285,277)	(450,516)	(285,036)
Amount written off	(604,699)	(367,276)	(604,699)	(367,276)
Foreign exchange differences	540	376	540	376
Balance at end of the financial year	1,555,540	1,375,292	1,553,692	1,374,240
Gross impaired loans and advances as % of gross loans and advances	1.78%	1.64%	1.77%	1.64%
Loan loss coverage (including regulatory reserve)	110.2%	123.5%	110.3%	123.6%

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

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
In Malaysia	1,555,540	1,375,292	1,553,692	1,374,240

14. LOANS AND ADVANCES (CONT'D.)

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

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Agriculture	5,633	6,539	5,633	6,539
Mining and quarrying	16,398	4,397	16,398	4,397
Manufacturing	174,602	164,355	174,602	164,355
Electricity, gas and water	50,830	47,199	50,830	47,199
Construction	162,723	152,544	162,723	152,544
Wholesale and retail trade and hotels and restaurants	237,820	143,014	237,820	143,014
Transport, storage and communication	26,587	19,777	26,587	19,777
Finance and insurance	2,898	11,201	2,898	11,201
Real estate	16,771	10,915	16,771	10,915
Business activities	35,649	41,238	35,649	41,238
Education and health	37,146	10,217	37,146	10,217
Household of which:	788,483	763,896	786,635	762,844
- Purchase of residential properties	607,337	581,738	605,489	580,686
- Purchase of transport vehicles	74,352	85,358	74,352	85,358
- Others	106,794	96,800	106,794	96,800
	1,555,540	1,375,292	1,553,692	1,374,240

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

Group	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2024				
Balance at beginning of the financial year	160,839	719,574	423,493	1,303,906
Net allowances for/(writeback of) ECL (Note 37):	62,803	(28,318)	636,575	671,060
- Transfer to Stage 1	18,670	(108,608)	(7,955)	(97,893)
- Transfer to Stage 2	(9,021)	104,169	(17,694)	77,454
- Transfer to Stage 3	(1,084)	(36,337)	183,483	146,062
New financial assets originated	70,524	52,219	8,504	131,247
Net remeasurement of allowances	9,475	(26,179)	561,006	544,302
Modification of contractual cash flows of financial assets	197	(2,372)	(1,568)	(3,743)
Financial assets derecognised	(33,514)	(63,814)	(112,170)	(209,498)
Changes in model assumptions and methodologies	7,556	52,604	22,969	83,129
Foreign exchange differences	550	(8)	608	1,150
Amount written-off	-	-	(604,699)	(604,699)
Balance at end of the financial year	224,192	691,248	455,977	1,371,417

14. LOANS AND ADVANCES (CONT'D.)

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

Group	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2023				
Balance at beginning of the financial year	154,044	758,197	319,503	1,231,744
Net allowances for/(writeback of) ECL (Note 37):	6,413	(38,586)	470,793	438,620
- Transfer to Stage 1	10,466	(124,287)	(4,853)	(118,674)
- Transfer to Stage 2	(10,416)	116,349	(16,850)	89,083
- Transfer to Stage 3	(1,020)	(25,135)	174,011	147,856
New financial assets originated	42,982	53,894	6,981	103,857
Net remeasurement of allowances	890	42,961	332,873	376,724
Modification of contractual cash flows of financial assets	-	(66)	1,651	1,585
Financial assets derecognised	(28,084)	(81,891)	(59,837)	(169,812)
Changes in model assumptions and methodologies	(8,405)	(20,411)	36,817	8,001
Foreign exchange differences	382	(37)	473	818
Amount written-off	-	-	(367,276)	(367,276)
Balance at end of the financial year	160,839	719,574	423,493	1,303,906

Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2024				
Balance at beginning of the financial year	160,826	719,487	423,247	1,303,560
Net allowances for/(writeback of) ECL (Note 37):	63,045	(28,281)	636,408	671,172
- Transfer to Stage 1	18,669	(108,555)	(7,942)	(97,828)
- Transfer to Stage 2	(9,019)	104,126	(17,694)	77,413
- Transfer to Stage 3	(1,083)	(36,337)	183,265	145,845
New financial assets originated	70,524	52,219	8,504	131,247
Net remeasurement of allowances	9,704	(26,176)	560,995	544,523
Modification of contractual cash flows of financial assets	197	(2,372)	(1,568)	(3,743)
Financial assets derecognised	(33,503)	(63,790)	(112,121)	(209,414)
Changes in model assumptions and methodologies	7,556	52,604	22,969	83,129
Foreign exchange differences	552	(8)	608	1,152
Amount written-off	-	-	(604,699)	(604,699)
Balance at end of the financial year	224,423	691,198	455,564	1,371,185

14. LOANS AND ADVANCES (CONT'D.)

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

Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2023				
Balance at beginning of the financial year	154,074	758,182	319,223	1,231,479
Net allowances for/(writeback of) ECL (Note 37):	6,370	(38,657)	470,827	438,540
- Transfer to Stage 1	10,468	(124,281)	(4,681)	(118,494)
- Transfer to Stage 2	(10,416)	116,328	(16,843)	89,069
- Transfer to Stage 3	(1,020)	(25,131)	173,862	147,711
New financial assets originated	42,982	53,894	6,981	103,857
Net remeasurement of allowances	1,071	42,960	332,877	376,908
Modification of contractual cash flows of financial assets	-	(66)	1,651	1,585
Financial assets derecognised	(28,310)	(81,950)	(59,837)	(170,097)
Changes in model assumptions and methodologies	(8,405)	(20,411)	36,817	8,001
Foreign exchange differences	382	(38)	473	817
Amount written-off	-	-	(367,276)	(367,276)
Balance at end of the financial year	160,826	719,487	423,247	1,303,560

Overall, the total allowances for impairment on loans and advances for the Group increased by RM67,511,000 due to the following:

a) 12-month ECL (Stage 1) – increase by RM63,353,000 mainly due to newly originated loans and advances, transfer to Stage 1 and net remeasurement of allowances; partially offset by the financial assets derecognised and impact from the migration of loans and advances to Stage 2.

b) Lifetime ECL not credit-impaired (Stage 2) – decrease by RM28,326,000 mainly due to impact from the migration of loans and advances to Stage 1 and Stage 3, financial asset derecognised and net remeasurement of allowances; partially offset by impact from migration of loans and advances to Stage 2, newly originated loans and advances and changes in model assumptions and methodologies.

c) Lifetime ECL credit-impaired (Stage 3) – increase by RM32,484,000 mainly due to net remeasurement of allowances, impact from migration of loans and advances to Stage 3, changes in model assumptions and methodologies and newly originated loans and advances; partially offset by the impacts from written-off loans and advances, financial assets derecognised and impact from migration of loans and advances to Stage 1 and Stage 2.

15. STATUTORY DEPOSIT WITH BANK NEGARA MALAYSIA

The non-interest bearing statutory deposit is maintained with Bank Negara Malaysia in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act, 2009, the amounts of which are determined as a set percentage of total eligible liabilities. The Statutory Reserve Requirement ("SRR") rate for banking industries is 2.0% of eligible liabilities.

16. DEFERRED TAX ASSETS

	Group and Bank	
	2024 RM'000	2023 RM'000
Balance at beginning of the financial year	164,294	139,318
Recognised in statements of profit or loss (Note 40)	49,571	26,114
Recognised in other comprehensive income	(21,158)	(1,138)
Balance at end of the financial year	192,707	164,294

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts are shown in the statements of financial position, after appropriate offsetting:

	Group and Bank	
	2024 RM'000	2023 RM'000
Deferred tax assets	192,707	164,294

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

Deferred tax assets	221,180	220,121
Deferred tax liabilities	(28,473)	(55,827)
	192,707	164,294

16. DEFERRED TAX ASSETS (CONT'D.)

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

	Balance at beginning of the financial year RM'000	Recognised in statement of profit or loss RM'000	Recognised in other comprehensive income RM'000	Balance at end of the financial year RM'000
Group and Bank				
Deferred tax assets				
2024				
Provision for expenses	90,820	(4,600)	-	86,220
Provision for commitments and contingencies	840	(98)	-	742
Allowances for ECL	84,385	19,781	-	104,166
Cash flow hedging deficit	1,344	-	(1,020)	324
Fair value reserve	24,405	-	(20,138)	4,267
Other temporary differences	18,327	7,134	-	25,461
	220,121	22,217	(21,158)	221,180
2023				
Provision for expenses	69,223	21,597	-	90,820
Provision for commitments and contingencies	810	30	-	840
Allowances for ECL	76,464	7,921	-	84,385
Cash flow hedging deficit	2,861	-	(1,517)	1,344
Fair value reserve	24,026	-	379	24,405
Other temporary differences	22,261	(3,934)	-	18,327
	195,645	25,614	(1,138)	220,121
Deferred tax liabilities				
2024				
Deferred charges	(26,722)	(158)	-	(26,880)
Excess of capital allowance over depreciation and amortisation	(29,105)	27,512	-	(1,593)
	(55,827)	27,354	-	(28,473)
2023				
Deferred charges	(25,572)	(1,150)	-	(26,722)
Excess of capital allowance over depreciation and amortisation	(30,755)	1,650	-	(29,105)
	(56,327)	500	-	(55,827)

As at 31 March 2024, the Group and the Bank respectively, have unabsorbed capital allowances of approximately RM450,465,000 and RM164,496,000 (2023: RM450,526,000 and RM164,557,000) that are available for offset against future taxable profit of leasing business. The Group's unabsorbed capital allowances that are available for offset against future taxable profit of non-leasing business for current financial year is RM421,000 (2023: RM506,000). Deferred tax assets are not recognised due to uncertainty in timing of their recoverability.

17. INVESTMENT IN SUBSIDIARIES

	Bank 2024 RM'000	Bank 2023 RM'000
Unquoted shares:		
Cost		
Balance at beginning of the financial year	76,560	98,796
Capital reduction of a subsidiary (Note c)	(9,000)	(8,477)
Dissolution of subsidiaries (Note d)	(10)	(13,759)
Balance at end of the financial year	67,550	76,560
Accumulated impairment losses		
Balance at beginning of the financial year	54,073	67,832
Dissolution of a subsidiary (Note d)	-	(13,759)
Balance at end of the financial year	54,073	54,073
Carrying amount		
Balance at end of the financial year	13,477	22,487

All subsidiaries are incorporated in Malaysia.

a) Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Effective equity interest 2024 %	Effective equity interest 2023 %
AmCard Services Berhad	Outsourcing servicer for mortgage related services	100.0	100.0
AmMortgage One Berhad	Securitisation of mortgage loans	100.0	100.0
AmProperty Holdings Sdn Bhd	Property investment	100.0	100.0
Bougainvillaea Development Sdn Bhd	Property investment	100.0	100.0
MBf Information Services Sdn Bhd	Property investment	100.0	100.0
MBf Trustees Berhad	Dormant	-	60.0
MBf Nominees (Tempatan) Sdn Bhd	Dormant	-	100.0
Teras Oak Pembangunan Sendirian Berhad	Dormant	100.0	100.0
Malco Properties Sdn Bhd #	Dormant	81.5	81.5
AmLabuan Holdings (L) Ltd @	Investment holding	100.0	100.0

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

b) There are no restrictions on transfer of funds, for example paying dividends or repaying loans and advances by the subsidiaries. The ability of the subsidiaries to pay dividends or make advances to the Bank depends on their financial and operating performance.

c) The following subsidiaries received Capital Reduction Order from the High Court pursuant to Section 116 of Companies Act 2016 and subsequent made capital repayment to the Bank:

Subsidiaries	Date of capital repayment
AmCard Services Berhad	29 July 2022
Bougainvillaea Development Sdn Bhd	29 May 2023

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

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

d) Dissolution of subsidiaries under member's voluntary winding up

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

Subsidiaries	Dissolution date
Komuda Credit & Leasing Sdn Bhd	7 July 2022
MBf Trustees Berhad*	26 January 2024
MBf Nominees (Tempatan) Sdn Bhd	1 March 2024

* As at the previous financial year, the investment in MBf Trustees Berhad was classified as investment in subsidiary at Group level through additional equity interests held by two other subsidiaries of the Bank, MBf Information Services Sdn Bhd and MBf Nominees (Tempatan) Sdn Bhd (see Note 18).

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

18. INVESTMENT IN ASSOCIATES

	Group		Bank	
	2024	**2023**	**2024**	**2023**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unquoted shares:				
At cost at the beginning of the financial year	32,280	32,280	32,330	32,330
Dissolution of an associate (Note a)	-	-	(50)	-
At cost at end of the financial year	32,280	32,280	32,280	32,330
Share of post acquisition reserves	(14,535)	(13,885)	-	-
Less: Accumulated impairment losses	-	-	(12,682)	(12,713)
Balance at end of the financial year	17,745	18,395	19,598	19,617

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

	Bank	
	2024	**2023**
	RM'000	**RM'000**
Balance at beginning of the financial year	12,713	12,713
Reversal of impairment loss during the financial year	(31)	-
Balance at end of the financial year	12,682	12,713

(a) Details of the associates, which are incorporated and with principal place of business in Malaysia, are as follows:

Name of associate	Principal activity	Bank Effective equity interest	
		2024	**2023**
		%	**%**
Bonuskad Loyalty Sdn Bhd ("Bonuskad")[1]	Managing customer loyalty schemes	33.3	33.3
MBf Trustees Berhad[2]	Dormant	-	20.0

[1] The financial year end of Bonuskad is 31 December and for the purpose of applying the equity method of accounting, appropriate adjustments have been made for the effects of significant transactions up to the Bank's financial reporting date.

[2] As at the previous financial year, the investment in MBf Trustees Berhad was classified as investment in subsidiary at Group level through additional equity interests held by two other subsidiaries of the Bank. MBf Trustees Berhad was dissolved on 26 January 2024 (see Note 17).

18. INVESTMENT IN ASSOCIATES (CONT'D.)

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

	2024 RM'000	2023 RM'000
Operating revenue	23,538	34,716
(Loss)/profit after tax from continuing operations/Total comprehensive (loss)/income	(1,949)	8,393
Total assets	196,544	193,383
Total liabilities	(132,858)	(127,749)
Net assets	63,686	65,634

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

	2024 RM'000	2023 RM'000
Interest income	748	159
Fee and other operating income	22,790	34,557
Depreciation of property and equipment	(2,344)	(3,058)
Taxation	(340)	(1,331)

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

	2024 RM'000	2023 RM'000
Cash and cash equivalents	154,728	2,221
Current financial liabilities (excluding trade, other payables and provisions)	(5,542)	(9,908)

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

	2024 RM'000	2023 RM'000
Proportion of net assets at date of recognition	33.3%	33.3%
Balance at beginning of the financial year	18,395	15,597
Share of net results for the financial year	(650)	2,798
Carrying amount at the end of the financial year	17,745	18,395

19. OTHER ASSETS

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Other receivables, deposits and prepayments	(a)	1,043,858	734,680	1,042,553	733,229
Interest receivable	(b)	447,627	428,273	447,619	428,274
Amount due from subsidiaries and related companies	(c)	26,863	35,123	26,932	35,268
Collateral pledged for derivative transactions	51	790,167	467,034	790,167	467,034
Foreclosed properties	(d)	307	2,644	-	2,337
Deferred charges		111,996	111,338	111,996	111,338
Tax recoverable		636,729	172,744	636,094	172,471
		3,057,547	1,951,836	3,055,361	1,949,951
Less: Accumulated impairment losses	(a)(i) & (d)	(22,001)	(3,454)	(21,509)	(2,999)
		3,035,546	1,948,382	3,033,852	1,946,952

(a) As at 31 March 2024, the impairment losses for other receivables, deposits and prepayments of the Group and of the Bank are RM21,844,000 (2023: RM3,297,000) and RM21,509,000 (2023: RM2,999,000) respectively.

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

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

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Balance at beginning of the financial year	3,297	1,817	2,999	1,500
Impairment loss during the financial year, net	18,545	1,550	18,507	1,562
Amount written off	(22)	(86)	(21)	(79)
Foreign exchange differences	24	16	24	16
Balance at end of the financial year	21,844	3,297	21,509	2,999

(b) Interest receivable includes interest receivable of investment account of RM3,660,000 (2023: RM3,399,000).

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

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

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Balance at beginning and end of the financial year	157	157	-	-

20. RIGHT-OF-USE ASSETS

	Premises RM'000	Computer equipment RM'000	Total RM'000
Group			
2024			
Cost			
Balance at beginning of the financial year	490,248	8,858	499,106
Additions	45,417	-	45,417
Remeasurements	1,628	-	1,628
Derecognition of expired lease	(1,729)	-	(1,729)
Termination	(13,778)	-	(13,778)
Balance at end of the financial year	521,786	8,858	530,644
Accumulated depreciation			
Balance at beginning of the financial year	267,559	6,951	274,510
Depreciation for the financial year (Note 35)	67,200	1,144	68,344
Derecognition of expired lease	(1,729)	-	(1,729)
Termination	(6,930)	-	(6,930)
Balance at end of the financial year	326,100	8,095	334,195
Carrying amount			
Balance at end of the financial year	195,686	763	196,449
2023			
Cost			
Balance at beginning of the financial year	366,180	8,858	375,038
Additions	76,456	-	76,456
Remeasurements	51,329	-	51,329
Termination	(3,717)	-	(3,717)
Balance at end of the financial year	490,248	8,858	499,106
Accumulated depreciation			
Balance at beginning of the financial year	196,443	5,806	202,249
Depreciation for the financial year (Note 35)	72,625	1,145	73,770
Termination	(1,509)	-	(1,509)
Balance at end of the financial year	267,559	6,951	274,510
Carrying amount			
Balance at end of the financial year	222,689	1,907	224,596

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

Bank	Premises RM'000	Computer equipment RM'000	Total RM'000
2024			
Cost			
Balance at beginning of the financial year	492,551	8,858	501,409
Additions	45,417	-	45,417
Remeasurements	1,628	-	1,628
Termination	(15,507)	-	(15,507)
Balance at end of the financial year	524,089	8,858	532,947
Accumulated depreciation			
Balance at beginning of the financial year	268,826	6,951	275,777
Depreciation for the financial year (Note 35)	67,613	1,144	68,757
Termination	(8,659)	-	(8,659)
Balance at end of the financial year	327,780	8,095	335,875
Carrying amount			
Balance at end of the financial year	196,309	763	197,072
2023			
Cost			
Balance at beginning of the financial year	368,483	8,858	377,341
Additions	76,456	-	76,456
Remeasurements	51,329	-	51,329
Termination	(3,717)	-	(3,717)
Balance at end of the financial year	492,551	8,858	501,409
Accumulated depreciation			
Balance at beginning of the financial year	197,297	5,806	203,103
Depreciation for the financial year (Note 35)	73,038	1,145	74,183
Termination	(1,509)	-	(1,509)
Balance at end of the financial year	268,826	6,951	275,777
Carrying amount			
Balance at end of the financial year	223,725	1,907	225,632

As at 31 March 2024, the carrying amount of the right-of-use assets of the Group and of the Bank includes carrying amount of estimated cost for reinstatement amounted to RM1.3 million (2023: RM1.8 million).

The right-of-use on leasehold land and buildings are disclosed in Note 21.

The corresponding lease liabilities relating to the right-of-use assets is disclosed in Note 28(a).

The Group and the Bank have entered into commercial leases for premises and computer equipment, all of which do not contain any variable payment terms or residual payment guarantees. The Group and the Bank are not subjected to any covenants or restrictions by entering into the leases.

The leases are typically made for fixed period of three years, but some of the leases for premises may have extension options of between three and twelve years. These options, which are exercisable only by the Group and the Bank and not by the respective lessor, are negotiated by management to provide operational flexibility in managing the assets used in the operations of the Group and of the Bank. Management exercises significant judgment in determining whether these extension options are reasonably certain to be exercised (refer to Note 5.2). For most of the leases of premises, the periods covered by the extension options are included as part of the lease terms due to the significance of these assets to the Group and the Bank. As such, substantially all of the future cash outflows that the Group and the Bank are exposed in relation to leases, have been reflected in the measurement of lease liabilities.

21. PROPERTY AND EQUIPMENT

Group	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Leasehold improve-ments RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
2024										
Cost										
Balance at beginning of the financial year	2,095	4,904	534	23,330	208,458	154,940	624,252	4,064	24,114	1,046,691
Additions	-	-	-	-	7,333	5,566	11,090	656	3,135	27,780
Disposals	-	-	-	-	-	(7,550)	-	-	-	(7,550)
Written off	-	-	-	-	(1,041)	(2,377)	(274)	-	-	(3,692)
Transfer from intangible assets (Note 22)	-	-	-	-	-	1	36	-	2,276	2,313
Reclassification/adjustments	-	-	-	-	-	-	6,496	-	(6,496)	-
Foreign exchange differences	-	-	-	-	59	36	10	(75)	-	30
Balance at end of the financial year	2,095	4,904	534	23,330	214,809	150,616	641,610	4,645	23,029	1,065,572
Accumulated depreciation										
Balance at beginning of the financial year	-	2,297	341	11,474	194,222	146,845	541,173	3,186	-	899,538
Depreciation for the financial year (Note 35)	-	90	8	447	7,112	4,139	34,916	530	-	47,242
Disposals	-	-	-	-	-	(7,540)	-	-	-	(7,540)
Written off	-	-	-	-	(1,041)	(2,375)	(269)	-	-	(3,685)
Reclassification/adjustments	-	-	-	-	-	-	(798)	-	-	(798)
Foreign exchange differences	-	-	-	-	59	36	10	(75)	-	30
Balance at end of the financial year	-	2,387	349	11,921	200,352	141,105	575,032	3,641	-	934,787
Accumulated impairment losses										
Balance at beginning and end of the financial year	-	254	-	886	-	-	-	-	-	1,140
Carrying amount										
Balance at end of the financial year	2,095	2,263	185	10,523	14,457	9,511	66,578	1,004	23,029	129,645

21. PROPERTY AND EQUIPMENT (CONT'D.)

Group	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Leasehold improve-ments RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
2023										
Cost										
Balance at beginning of the financial year	8,595	4,904	534	36,345	202,387	162,383	615,136	4,056	4,007	1,038,347
Additions	-	-	-	-	5,800	3,297	23,156	-	23,776	56,029
Transfer to related companies, net	-	-	-	-	-	-	-	-	(45)	(45)
Disposals	(6,500)	-	-	(13,015)	-	(7,499)	(17,106)	-	-	(44,120)
Written off	-	-	-	-	(728)	(2,333)	(133)	-	-	(3,194)
Transfer to intangible assets (Note 22)	-	-	-	-	-	-	-	-	(219)	(219)
Reclassification/adjustments	-	-	-	-	999	(994)	3,183	-	(3,405)	(217)
Foreign exchange differences	-	-	-	-	-	86	16	8	-	110
Balance at end of the financial year	2,095	4,904	534	23,330	208,458	154,940	624,252	4,064	24,114	1,046,691
Accumulated depreciation										
Balance at beginning of the financial year	-	2,207	334	18,922	186,744	153,644	520,443	3,126	-	885,420
Depreciation for the financial year (Note 35)	-	90	7	666	7,191	3,932	37,945	52	-	49,883
Disposals	-	-	-	(8,114)	-	(7,487)	(17,098)	-	-	(32,699)
Written off	-	-	-	-	(712)	(2,331)	(133)	-	-	(3,176)
Reclassification/adjustments	-	-	-	-	999	(999)	-	-	-	-
Foreign exchange differences	-	-	-	-	-	86	16	8	-	110
Balance at end of the financial year	-	2,297	341	11,474	194,222	146,845	541,173	3,186	-	899,538
Accumulated impairment losses										
Balance at beginning and end of the financial year	-	254	-	886	-	-	-	-	-	1,140
Carrying amount										
Balance at end of the financial year	2,095	2,353	193	10,970	14,236	8,095	83,079	878	24,114	146,013

21. PROPERTY AND EQUIPMENT (CONT'D.)

Bank	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Leasehold improve- ments RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in- progress RM'000	Total RM'000
2024										
Cost										
Balance at beginning of the financial year	90	3,806	303	16,663	207,475	154,312	624,020	3,888	24,114	1,034,671
Additions	-	-	-	-	7,333	5,566	11,089	656	3,135	27,779
Transfer from related companies, net	-	-	-	-	-	-	-	102		102
Disposals	-	-	-	-	-	(7,550)	-	-	-	(7,550)
Written off	-	-	-	-	(1)	(1,714)	(31)	-	-	(1,746)
Transfer from intangible assets (Note 22)	-	-	-	-	-	1	36	-	2,276	2,313
Reclassification/adjustments	-	-	-	-	-	-	6,496	-	(6,496)	-
Balance at end of the financial year	90	3,806	303	16,663	214,807	150,615	641,610	4,646	23,029	1,055,569
Accumulated depreciation										
Balance at beginning of the financial year	-	1,899	202	8,318	193,240	146,216	540,942	3,009	-	893,826
Depreciation for the financial year (Note 35)	-	76	3	330	7,112	4,140	34,915	530	-	47,106
Transfer from related companies, net	-	-	-	-	-	-	-	102	-	102
Disposals	-	-	-	-	-	(7,540)	-	-	-	(7,540)
Written off	-	-	-	-	(1)	(1,711)	(27)	-	-	(1,739)
Reclassification/adjustments	-	-	-	-	-	-	(798)	-	-	(798)
Balance at end of the financial year	-	1,975	205	8,648	200,351	141,105	575,032	3,641	-	930,957
Accumulated impairment losses										
Balance at beginning and end of the financial year	-	254	-	886	-	-	-	-	-	1,140
Carrying amount										
Balance at end of the financial year	90	1,577	98	7,129	14,456	9,510	66,578	1,005	23,029	123,472

21. PROPERTY AND EQUIPMENT (CONT'D.)

Bank	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Leasehold improve-ments RM'000	Office equipment, furniture and fittings RM'000	Computer equipment RM'000	Motor vehicles RM'000	Work-in-progress RM'000	Total RM'000
2023										
Cost										
Balance at beginning of the financial year	90	3,806	303	16,663	201,702	160,660	614,827	3,888	4,007	1,005,946
Additions	-	-	-	-	5,800	3,297	23,156	-	23,776	56,029
Transfer to related companies, net	-	-	-	-	-	-	-	-	(45)	(45)
Disposals	-	-	-	-	-	(7,499)	(17,106)	-	-	(24,605)
Written off	-	-	-	-	(27)	(2,151)	(40)	-	-	(2,218)
Transfer to intangible assets (Note 22)	-	-	-	-	-	-	-	-	(219)	(219)
Reclassification/adjustments	-	-	-	-	-	5	3,183	-	(3,405)	(217)
Balance at end of the financial year	90	3,806	303	16,663	207,475	154,312	624,020	3,888	24,114	1,034,671
Accumulated depreciation										
Balance at beginning of the financial year	-	1,823	199	7,988	186,099	151,922	520,135	2,957	-	871,123
Depreciation for the financial year (Note 35)	-	76	3	330	7,168	3,931	37,945	52	-	49,505
Disposals	-	-	-	-	-	(7,487)	(17,098)	-	-	(24,585)
Written off	-	-	-	-	(27)	(2,150)	(40)	-	-	(2,217)
Balance at end of the financial year	-	1,899	202	8,318	193,240	146,216	540,942	3,009	-	893,826
Accumulated impairment losses										
Balance at beginning and end of the financial year	-	254	-	886	-	-	-	-	-	1,140
Carrying amount										
Balance at end of the financial year	90	1,653	101	7,459	14,235	8,096	83,078	879	24,114	139,705

22. INTANGIBLE ASSETS

Group	Computer software RM'000	Work-in-progress RM'000	Total RM'000
2024			
Cost			
Balance at beginning of the financial year	1,209,903	40,668	1,250,571
Additions	13,208	70,633	83,841
Transfer to related companies, net	-	(54)	(54)
Transfer from/(to) property and equipment (Note 21)	1,176	(3,489)	(2,313)
Written off	(16)	-	(16)
Reclassification/adjustments	15,953	(15,953)	-
Foreign exchange differences	1	-	1
Balance at end of the financial year	1,240,225	91,805	1,332,030
Accumulated amortisation			
Balance at beginning of the financial year	1,048,502	-	1,048,502
Amortisation for the financial year (Note 35)	49,852	-	49,852
Written off	(16)	-	(16)
Reclassification/adjustments	(554)	-	(554)
Foreign exchange differences	1	-	1
Balance at end of the financial year	1,097,785	-	1,097,785
Accumulated impairment loss			
Balance at beginning of the financial year	-	-	-
Impairment loss (Note 39)	65,965	44,752	110,717
Balance at end of the financial year	65,965	44,752	110,717
Carrying amount			
Balance at end of the financial year	76,475	47,053	123,528
2023			
Cost			
Balance at beginning of the financial year	1,153,119	39,383	1,192,502
Additions	21,081	40,492	61,573
Transfer from property and equipment (Note 21)	-	219	219
Written off	(43)	-	(43)
Reclassification/adjustments	35,743	(39,426)	(3,683)
Foreign exchange differences	3	-	3
Balance at end of the financial year	1,209,903	40,668	1,250,571
Accumulated amortisation			
Balance at beginning of the financial year	970,964	-	970,964
Amortisation for the financial year (Note 35)	77,237	-	77,237
Written off	(43)	-	(43)
Reclassification/adjustments	341	-	341
Foreign exchange differences	3	-	3
Balance at end of the financial year	1,048,502	-	1,048,502
Carrying amount			
Balance at end of the financial year	161,401	40,668	202,069

22. INTANGIBLE ASSETS (CONT'D.)

	Computer software RM'000	Work-in-progress RM'000	Total RM'000
Bank			
2024			
Cost			
Balance at beginning of the financial year	1,209,887	40,668	1,250,555
Additions	13,208	70,633	83,841
Transfer to related companies, net	-	(54)	(54)
Transfer from/(to) property and equipment (Note 21)	1,176	(3,489)	(2,313)
Reclassification/adjustments	15,953	(15,953)	-
Balance at end of the financial year	1,240,224	91,805	1,332,029
Accumulated amortisation			
Balance at beginning of the financial year	1,048,486	-	1,048,486
Amortisation for the financial year (Note 35)	49,852	-	49,852
Reclassification/adjustments	(554)	-	(554)
Balance at end of the financial year	1,097,784	-	1,097,784
Accumulated impairment loss			
Balance at beginning of the financial year	-	-	-
Impairment loss (Note 39)	65,965	44,752	110,717
Balance at end of the financial year	65,965	44,752	110,717
Carrying amount			
Balance at end of the financial year	76,475	47,053	123,528
2023			
Cost			
Balance at beginning of the financial year	1,153,063	39,383	1,192,446
Additions	21,081	40,492	61,573
Transfer from property and equipment (Note 21)	-	219	219
Reclassification/adjustments	35,743	(39,426)	(3,683)
Balance at end of the financial year	1,209,887	40,668	1,250,555
Accumulated amortisation			
Balance at beginning of the financial year	970,908	-	970,908
Amortisation for the financial year (Note 35)	77,237	-	77,237
Reclassification/adjustments	341	-	341
Balance at end of the financial year	1,048,486	-	1,048,486
Carrying amount			
Balance at end of the financial year	161,401	40,668	202,069

23. DEPOSITS FROM CUSTOMERS

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Demand deposits	29,883,483	25,489,922	29,886,682	25,501,758
Savings deposits	4,702,766	5,840,339	4,702,766	5,840,339
Term/investment deposits	59,751,161	54,048,284	59,751,993	54,049,101
	94,337,410	85,378,545	94,341,441	85,391,198

Included in deposits from customers of the Group and of the Bank are deposits of RM1,503,310,000 (2023: RM1,517,846,000 for the Group and the Bank) held as collateral for loans and advances.

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

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Government and other statutory bodies	1,816,922	868,756	1,816,922	868,756
Business enterprises	48,161,069	39,229,447	48,165,100	39,242,100
Individuals	40,666,138	38,941,377	40,666,138	38,941,377
Others	3,693,281	6,338,965	3,693,281	6,338,965
	94,337,410	85,378,545	94,341,441	85,391,198

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

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Due within six months	47,702,539	42,012,274	47,703,371	42,013,091
Over six months to one year	10,374,828	9,984,599	10,374,828	9,984,599
Over one year to three years	1,637,745	1,998,352	1,637,745	1,998,352
Over three years to five years	36,049	53,059	36,049	53,059
	59,751,161	54,048,284	59,751,993	54,049,101

24. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Licensed banks		3,309,711	5,617,181	3,309,711	5,617,181
Licensed investment banks		1,243,378	782,226	1,243,378	782,226
Other financial institutions		1,546,435	953,673	1,572,497	993,736
Bank Negara Malaysia	(a)	1,520,606	1,308,614	1,520,606	1,308,614
		7,620,130	8,661,694	7,646,192	8,701,757

(a) Deposits and placements from Bank Negara Malaysia for the current financial year had included the amounts received by the Group and the Bank under government financing scheme amounting to RM1,072,484,000 (2023: RM1,100,590,000) respectively, as part of the support measures by the government in response to the COVID-19 pandemic for the purpose of lending to SME at below market rate with six-year (6) to eight and half year (8.5) maturities. In the previous financial year, the fair value gain arising from the deposits from Bank Negara Malaysia with the Group and the Bank was applied to address the financial and accounting impact arising from lending at concession rates and was recognised in the profit or loss.

25. RECOURSE OBLIGATION ON LOANS SOLD TO CAGAMAS BERHAD

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

26. TERM FUNDING

		Group and Bank	
		2024	2023
	Note	RM'000	RM'000
Senior Notes	(a)	500,000	400,000
Other borrowings	(b)	1,114,991	937,427
		1,614,991	1,337,427

(a) Senior Notes comprise of the following:

Senior Notes

The movements in Senior Notes are as follows:

	Group and Bank	
	2024	2023
	RM'000	RM'000
Balance at beginning of the financial year	400,000	400,000
Issuance	500,000	-
Repayment	(400,000)	-
Balance at end of the financial year	500,000	400,000

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

The SNP has a tenure of up to thirty (30) years from the date of first issuance under the programme. Under the SNP, the Bank may issue Senior Notes with a tenure of more than one (1) year and up to ten (10) years provided that the Senior Notes mature prior to the expiry of the SNP. Unless previously redeemed or purchased and cancelled, the Senior Notes shall be fully redeemed on the respective maturity date(s) at 100% of their nominal value.

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

As at 31 March 2024, RAM Rating has assigned a long-term rating of AA2/Stable to the SNP.

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

(i) Tranche 8 - Series 1 and Series 2 of Senior Notes with total nominal amount of RM150.0 million and RM250.0 million respectively were issued on 30 December 2021. Tranche 8 - Series 1 bears interest rate at 2.94% per annum payable half-yearly with a tenure of 18 months and Tranche 8 - Series 2 bears interest at 3.14% per annum payable half-yearly with a tenure of 2 years. Tranche 8 - Series 1 and Series 2 were redeemed on 30 June 2023 and 29 December 2023 respectively.

(ii) Tranche 9 of Senior Notes with total nominal amount of RM500.0 million was issued on 6 November 2023. Tranche 9 bears interest at 4.33% per annum payable half-yearly with a tenure of 3 years.

26. TERM FUNDING (CONT'D.)

(b) Other borrowings comprise of the following:

	Note	Group and Bank 2024 RM'000	2023 RM'000
Structured deposit	(i)	1,114,991	496,335
Term loan	(ii)	-	441,092
		1,114,991	937,427

(i) Structured deposit

This includes non-principal guaranteed deposit placed by customers and structured products that are only principal guaranteed on maturity. The structured products include investment products with an embedded derivative, where the embedded derivative is normally linked to the performance of an underlying asset such as interest rates, equities, commodities and foreign currency rates. Upon maturity, the customer will receive either cash payment or pre-determined units of the underlying asset. The structured products will mature from 1 month to 5 years (2023: 1 month to 5 years).

The movements are as follows:

	Group and Bank 2024 RM'000	2023 RM'000
Balance at beginning of the financial year	496,335	226,459
Net issuance	618,656	269,876
Balance at end of the financial year	1,114,991	496,335

(ii) Term loan

On 22 December 2021, the Bank drawdown a new term loan of USD100.0 million from Wells Fargo Bank, National Association. This loan is utilised for diversifying the sources of funding the growth of the USD balance sheet. This term loan is for a period of two years and interest is charged at 3-month LIBOR +0.55%, payable on quarterly basis. This term loan has been fully repaid in full upon maturity on 30 October 2023.

The movements are as follows:

	Group and Bank 2024 RM'000	2023 RM'000
Balance at beginning of the financial year	441,092	418,801
Repayment during the financial year	(476,600)	-
Amortisation of issuance expenses	583	1,166
Foreign exchange differences	34,925	21,125
Balance at end of the financial year	-	441,092

27. DEBT CAPITAL

	Note	Group and Bank 2024 RM'000	2023 RM'000
Subordinated notes	(a)	3,095,000	3,095,000

27. DEBT CAPITAL (CONT'D.)

(a) Subordinated notes

The movements in Subordinated notes are as follows:

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Balance at beginning of the financial year	3,095,000	3,095,000
Issuance during the financial year	1,000,000	1,095,000
Repayment during the financial year	(1,000,000)	(1,095,000)
Balance at end of the financial year	3,095,000	3,095,000

Subordinated Notes Programme of RM4.0 billion:

During the financial year ended 31 March 2014, the Bank established a new Subordinated Notes programme of RM4.0 billion. The objective of the programme is to enable the issuance of Tier 2 Capital from time to time, for the purpose of enhancing the Bank's total capital position. The programme is set up in accordance to the requirements spelt out in the Capital Adequacy Framework (Capital Components) issued by BNM.

The programme has a tenure of thirty (30) years from the date of the first issuance under the programme. Each issuance of Tier 2 Subordinated Notes under this programme shall have a tenure of at least five (5) years from the issue date, and is callable on any coupon payment date after a minimum period of five (5) years from the date of issuance of each tranche. As at 31 March 2024, the Tier 2 Subordinated Notes have been assigned a credit rating of AA3/Stable by RAM.

The salient features of the Subordinated notes issued and outstanding are as follows:

(i) Tranche 6 which amounted to RM1.0 billion was issued on 15 November 2018. The interest rate is 4.98%, payable on a half-yearly basis. The Tranche 6 was fully redeemed on its first call date on 15 November 2023.

(ii) Tranche 7 which amounted to RM400.0 million was issued on 30 March 2021. The interest rate is 4.18%, payable on a half-yearly basis.

(iii) Tranche 8 which amounted to RM600.0 million was issued on 8 March 2022. The interest rate is 4.30%, payable on a half-yearly basis.

(iv) Tranche 9 which amounted to RM745.0 million was issued on 12 October 2022. The interest rate is 5.20%, payable on a half-yearly basis.

(v) Tranche 10 which amounted to RM350.0 million was issued on 28 March 2023. The interest rate is 4.58%, payable on a half-yearly basis.

(vi) Tranche 11 which amounted to RM500.0 million was issued on 27 June 2023. The interest rate is 4.59%, payable on a half-yearly basis.

All the above tranches are for a tenure of 10 years (callable in the 5th year).

The full amounts issued qualify as Tier 2 Capital for the purpose of capital adequacy ratio computation.

Subordinated Notes Programme of RM8.0 billion:

On 11 October 2023, the Bank established a new Subordinated Notes programme of RM8.0 billion. The objective of the programme is to enable the issuance of additional Tier 1 and Tier 2 capital instruments from time to time. The Programme's tenure is perpetual.

Tranche 1 which amounted to RM500.0 million was issued on 3 November 2023. The interest rate is 4.55%, payable on a half-yearly basis.

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

The full amount issued qualify as Tier 2 Capital for the purpose of capital adequacy ratio computation.

28. OTHER LIABILITIES

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Other payables and accruals		1,214,820	1,229,782	1,195,578	1,210,739
Lease liabilities	(a)	202,540	228,707	203,279	229,836
Provision for reinstatement of leased premises	(b)	6,251	6,207	6,251	6,207
Interest payable		878,459	674,008	878,459	674,008
Amount due to holding company and other related companies		1,233,487	206,711	1,233,690	206,712
Collateral received for derivative transactions	51	321,081	510,844	321,081	510,844
Lease deposits and advance rentals		42,333	39,718	42,333	39,718
Provision for commitments and contingencies	(c)	3,097	3,502	3,097	3,502
Allowances for ECL on loan commitments and financial guarantees	(d)	154,030	193,085	154,078	193,105
Provision for taxation		885	1,119	885	839
Deferred income		63,147	56,280	63,147	56,280
		4,120,130	3,149,963	4,101,878	3,131,790

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

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

Group	Premises RM'000
2024	
Balance at beginning of the financial year	228,707
Additions	45,417
Remeasurements	1,628
Finance cost charged (Note 35)	5,736
Payment of lease liabilities	(71,742)
Termination	(7,206)
Balance at end of the financial year	202,540
2023	
Balance at beginning of the financial year	174,133
Additions	76,456
Remeasurements	51,329
Finance cost charged (Note 35)	6,181
Payment of lease liabilities	(77,068)
Termination	(2,324)
Balance at end of the financial year	228,707

Bank	Premises RM'000
2024	
Balance at beginning of the financial year	229,836
Additions	45,417
Remeasurements	1,628
Finance cost charged (Note 35)	5,839
Payment of lease liabilities	(72,235)
Termination	(7,206)
Balance at end of the financial year	203,279
2023	
Balance at beginning of the financial year	175,639
Additions	76,456
Remeasurements	51,329
Finance cost charged (Note 35)	6,296
Payment of lease liabilities	(77,560)
Termination	(2,324)
Balance at end of the financial year	229,836

28. OTHER LIABILITIES (CONT'D.)

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

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

Payment of lease liabilities to related parties during the financial year for the Group and the Bank were RM44.3 million and RM44.8 million (2023: RM48.3 million and RM48.6 million) respectively.

The costs relating to leases for which the Group and the Bank applied the practical expedient described in Note 2.5g for the current financial year end amounted to RM0.6 million (2023: RM1.6 million) for low-value assets and RM54,500 (2023: RM47,800) for short-term leases with contract term of less than 12 months.

Lease liabilities analysed by undiscounted contractual payments are as follows:

Group	**Premises RM'000**
2024	
Up to 1 month	5,838
>1 month to 3 months	11,621
>3 months to 6 months	17,379
>6 months to 12 months	34,215
>1 year to 5 years	89,330
Over 5 years	63,140
	221,523
2023	
Up to 1 month	6,061
>1 month to 3 months	12,120
>3 months to 6 months	17,647
>6 months to 12 months	34,455
>1 year to 5 years	139,718
Over 5 years	34,234
	244,235

Bank	
2024	
Up to 1 month	5,878
>1 month to 3 months	11,702
>3 months to 6 months	17,501
>6 months to 12 months	34,459
>1 year to 5 years	90,998
Over 5 years	64,864
	225,402
2023	
Up to 1 month	6,102
>1 month to 3 months	12,201
>3 months to 6 months	17,769
>6 months to 12 months	34,698
>1 year to 5 years	141,872
Over 5 years	35,958
	248,600

28. OTHER LIABILITIES (CONT'D.)

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

	Group and Bank 2024 RM'000	2023 RM'000
Balance at beginning of the financial year	6,207	6,130
Reversal of provision	(11)	-
Finance cost charged (Note 35)	55	77
Balance at end of the financial year	6,251	6,207

As at 31 March 2024, the Group has estimated that it is contingently liable to incur restoration costs of RM13.7 million (2023: RM14.5 million) upon termination of lease contracts for certain premises leased from a related party.

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

	Group and Bank 2024 RM'000	2023 RM'000
Balance at beginning of the financial year	3,502	3,372
(Reversal of provision)/charge during the year	(405)	130
Balance at end of the financial year	3,097	3,502

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

Group	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2024				
Balance at beginning of the financial year	31,057	26,808	135,220	193,085
Net allowances for/(writeback of) ECL:	1,503	(14,306)	(26,404)	(39,207)
- Transfer to Stage 1	1,442	(9,796)	-	(8,354)
- Transfer to Stage 2	(726)	3,037	-	2,311
- Transfer to Stage 3	(54)	(468)	9	(513)
New exposure originated	14,933	6,754	-	21,687
Net remeasurement of allowances	(5,795)	(4,952)	(26,333)	(37,080)
Financial exposure derecognised	(8,297)	(8,881)	(80)	(17,258)
Foreign exchange differences	157	(3)	(2)	152
Balance at end of the financial year	32,717	12,499	108,814	154,030
2023				
Balance at beginning of the financial year	20,472	15,763	242,154	278,389
Net allowances for/(writeback of) ECL:	10,465	11,040	(106,915)	(85,410)
- Transfer to Stage 1	827	(4,554)	-	(3,727)
- Transfer to Stage 2	(894)	7,787	-	6,893
- Transfer to Stage 3	(28)	(304)	3,702	3,370
New exposure originated	14,224	13,861	-	28,085
Net remeasurement of allowances	2,708	(331)	(110,225)	(107,848)
Financial exposure derecognised	(6,372)	(5,419)	(392)	(12,183)
Foreign exchange differences	120	5	(19)	106
Balance at end of the financial year	31,057	26,808	135,220	193,085

28. OTHER LIABILITIES (CONT'D.)

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

Bank	Stage 1 12-Month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2024				
Balance at beginning of the financial year	31,077	26,808	135,220	193,105
Net allowances for/(writeback of) ECL:	1,531	(14,306)	(26,404)	(39,179)
- Transfer to Stage 1	1,442	(9,796)	-	(8,354)
- Transfer to Stage 2	(726)	3,037	-	2,311
- Transfer to Stage 3	(54)	(468)	9	(513)
New exposure originated	14,933	6,754	-	21,687
Net remeasurement of allowances	(5,767)	(4,952)	(26,333)	(37,052)
Financial exposure derecognised	(8,297)	(8,881)	(80)	(17,258)
Foreign exchange differences	157	(3)	(2)	152
Balance at end of the financial year	32,765	12,499	108,814	154,078
2023				
Balance at beginning of the financial year	20,518	15,763	242,154	278,435
Net allowances for/(writeback of) ECL:	10,439	11,040	(106,915)	(85,436)
- Transfer to Stage 1	827	(4,554)	-	(3,727)
- Transfer to Stage 2	(894)	7,787	-	6,893
- Transfer to Stage 3	(28)	(304)	3,702	3,370
New exposure originated	14,224	13,861	-	28,085
Net remeasurement of allowances	2,682	(331)	(110,225)	(107,874)
Financial exposure derecognised	(6,372)	(5,419)	(392)	(12,183)
Foreign exchange differences	120	5	(19)	106
Balance at end of the financial year	31,077	26,808	135,220	193,105

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

a) Overall 12-month ECL (Stage 1) increased due to new exposure originated; partially offset by financial exposures derecognised and net remeasurement of allowances;

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

c) Lifetime ECL credit impaired (Stage 3) decreased mainly due to net remeasurement of allowances.

29. SHARE CAPITAL

	Number of ordinary shares Group and Bank		Group and Bank	
	2024	2023	2024	2023
	Units'000	Units'000	RM'000	RM'000
Issued and fully paid				
Balance at beginning and end of the financial year	949,927	949,927	3,040,465	3,040,465

30. RESERVES

		Group		Bank	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Regulatory reserve	(a)	188,146	201,229	188,146	201,229
Merger reserve	(b)	104,149	104,149	-	-
Fair value reserve	(c)	411,695	299,138	411,695	299,138
Cash flow hedging deficit	(d)	(1,029)	(4,259)	(1,029)	(4,259)
Foreign currency translation reserve	(e)	121,067	101,830	124,851	105,630
Retained earnings	(f)	8,512,335	7,456,999	8,561,556	7,508,139
		9,336,363	8,159,086	9,285,219	8,109,877

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

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

(c) The fair value reserve comprises fair value gains (net of fair value losses) on financial investments measured at FVOCI. In addition, the loss allowance arising from the recognition of expected credit losses on financial investments measured at FVOCI are accumulated in fair value reserve instead of reducing the carrying amount of the assets.

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

(e) Foreign currency translation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's and the Bank's functional currency.

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

31. NON-CONTROLLING INTERESTS

	Group 2024 RM'000	Group 2023 RM'000
Balance at beginning of the financial year	145	146
Dissolution of a subsidiary	(39)	-
Share in net results of subsidiaries	20	(1)
Balance at end of the financial year	126	145

32. INTEREST INCOME

		Group		Bank	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Short-term funds and deposits with financial institutions	(a)	376,311	220,520	375,615	220,058
Financial assets at fair value through profit or loss		231,160	150,596	231,160	150,596
Financial investments at fair value through other comprehensive income		699,645	565,534	699,645	565,534
Financial investments at amortised cost		333,051	321,968	333,051	321,968
Loans and advances	(b)	4,439,606	3,716,142	4,436,606	3,711,302
Investment account placement		57,862	52,265	57,862	52,265
Impaired loans and advances		9,362	4,164	9,362	4,164
Others		40,663	28,738	40,663	28,739
		6,187,660	5,059,927	6,183,964	5,054,626

Note:

(a) Included in the interest income on short term funds and deposits placements with financial institution is the fair value gain of RM11.8 million (2023: RM Nil) arising from the differential between the concession rates received and market rates of the placements made to AmBank Islamic and its unwinding amount for the financial year of gain of RM1.6 million (2023: gain of RM4.4 million) as disclosed in Note 8.

(b) Included in the interest income of loans and advances of the Group and of the Bank are the net loss of RM8.1 million (2023: loss of RM4.9 million) arising from government support measures implemented in response to COVID-19 pandemic.

33. INTEREST EXPENSE

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	2,829,697	1,824,286	2,829,731	1,824,371
Deposits and placements of banks and other financial institutions	295,425	210,628	295,489	210,628
Securities sold under repurchase agreements	359,027	260,748	359,027	260,748
Recourse obligation on loans sold to Cagamas Berhad	230,597	200,244	230,597	200,244
Term funding	74,726	56,016	74,726	56,016
Debt capital	155,475	151,500	155,475	151,500
Others	17,427	9,884	17,427	9,885
	3,962,374	2,713,306	3,962,472	2,713,392

34. OTHER OPERATING INCOME

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fee and commission income:				
Bancassurance commission	39,669	34,924	39,669	34,924
Brokerage fees, commission and rebates	1,318	1,516	1,318	1,516
Fees on loans, advances and securities	126,692	128,337	126,692	128,337
Fees, service and commission charges	27,123	32,277	28,535	32,082
Unit trust fees, commission and charges	47,353	32,483	47,353	32,483
Guarantee fees	52,239	51,239	52,239	51,239
Remittances	25,442	27,543	25,442	27,543
Other fee and commission income	11,477	23,329	11,477	23,329
	331,313	331,648	332,725	331,453
Investment and trading income:				
Foreign exchange gain	334,725	247,498	334,727	247,469
Dividend income/distribution from:				
Financial assets at fair value through profit or loss	36,592	25,479	36,592	25,479
Financial investments at fair value through other comprehensive income	6,780	8,546	6,780	8,546
Subsidiaries	-	-	-	10,560
Net gain on sale/redemption of:				
Financial assets at fair value through profit or loss	52,581	42,316	52,581	42,316
Financial investments at fair value through other comprehensive income	17,783	286	17,783	286
Financial investments at amortised cost	68,270	-	68,270	-
Net gain/(loss) on revaluation of financial assets at fair value through profit or loss	268,979	(1,402)	268,984	(1,404)
Net loss on derivatives	(360,134)	(21,490)	(360,134)	(21,490)
Others	957	1,415	956	2,990
	426,533	302,648	426,539	314,752
Other income:				
Gain on termination of lease arrangement	358	116	358	116
Loss on disposal of foreclosed properties	(650)	-	(650)	-
Net gain/(loss) on disposal of property and equipment	105	8,957	(2)	133
Net non-trading foreign exchange gain	141	271	141	271
Profit from sale of goods and services	16,024	16,425	16,024	16,425
Rental income	8,356	7,494	8,645	7,906
Others	6,356	6,361	5,895	6,309
	30,690	39,624	30,411	31,160
	788,536	673,920	789,675	677,365

35. OTHER OPERATING EXPENSES

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Personnel costs:					
Medical		28,240	23,747	28,240	23,747
Insurance		34,281	19,185	34,281	19,185
Contributions to EPF/Private Retirement Scheme		143,524	139,712	143,524	139,712
Salaries, bonuses, allowances and incentives		921,517	902,747	921,517	902,747
Shares granted under AMMB's ESS - charge		24,522	14,939	24,522	14,939
Social security cost		7,865	7,194	7,865	7,194
Recruitment costs		2,465	20,553	2,465	20,553
Training		16,367	13,356	16,367	13,356
Other staff benefits		1,970	19,378	1,970	19,377
		1,180,751	1,160,811	1,180,751	1,160,810
Establishment costs:					
Amortisation of intangible assets	22	49,852	77,237	49,852	77,237
Cleaning, maintenance and security		31,813	29,598	31,646	28,991
Computerisation cost		217,947	184,649	217,947	184,649
Depreciation of property and equipment	21	47,242	49,883	47,106	49,505
Depreciation of right-of-use assets	20	68,344	73,770	68,757	74,183
Finance costs:					
- Lease liabilities	28(a)	5,736	6,181	5,839	6,296
- Provision for reinstatement of leased premises	28(b)	55	77	55	77
Others		35,017	32,939	35,513	33,293
		456,006	454,334	456,715	454,231
Marketing and communication expenses:					
Advertising and marketing		15,502	13,617	15,502	13,617
Commission		2,497	2,283	2,497	2,283
Communication		36,029	39,606	36,029	39,605
Others		6,827	4,798	6,827	4,798
		60,855	60,304	60,855	60,303
Administration and general expenses:					
Bank charges		12,766	10,812	12,766	10,812
Insurance		9,476	9,197	9,442	9,114
Professional services		56,623	49,707	56,542	49,615
Travelling		1,563	2,128	1,563	2,128
Subscriptions and periodical		1,786	1,131	1,786	1,131
Others		34,642	23,528	34,617	23,504
		116,856	96,503	116,716	96,304
Service transfer pricing recovery, net		(489,872)	(343,517)	(489,872)	(343,517)
		1,324,596	1,428,435	1,325,165	1,428,131

35. OTHER OPERATING EXPENSES (CONT'D.)

Included in operating expenses are the following:

		Group		Bank	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:					
- Audit		1,845	2,038	1,809	2,006
- Regulatory and assurance related		1,675	1,060	1,675	1,060
- Other services		109	313	109	313
Property and equipment written off	21	7	18	7	1

36. CHIEF EXECUTIVE OFFICER'S AND DIRECTORS' REMUNERATION

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

	Remuneration received from Group and Bank				
2024	**Salary RM'000**	**Other emoluments[3] RM'000**	**Bonus RM'000**	**Benefits-in-kind[4] RM'000**	**Total RM'000**
Chief Executive Officer:					
Ling Fou-Tsong @ Jamie Ling[1]	853	172	-	20	1,045
Dato' Sulaiman Bin Mohd Tahir[2]					
- Non-deferred payment received in FY2024	1,771	4,818	3,063	51	9,703
- Deferred STI payment received in FY2024	-	480	3,002	-	3,482
	1,771	5,298	6,065	51	13,185
Remuneration charged to holding company via service transfer pricing	(1,270)	(397)	(1,291)	(34)	(2,992)
2023					
Chief Executive Officer:					
Dato' Sulaiman Bin Mohd Tahir					
- Non-deferred payment received in FY2023	2,668	2,123	2,216	39	7,046
- Deferred STI payment received in FY2023	-	2,111	2,631	-	4,742
	2,668	4,234	4,847	39	11,788
Remuneration charged to holding company via service transfer pricing	(1,291)	(451)	(1,230)	(19)	(2,991)

1 Appointed on 23 November 2023.

2 Retired on 22 November 2023.

3 Include vested short and long term incentive shares, gratuity payment, statutory contributions, allowances and encash annual leave payment.

4 This related to payment in FY2024 and FY2023 for the portion of FY2023 and FY2022 deferred bonus due to conversion from permanent to contract employment during FY2023 and subsequent retirement during FY2024.

	Remuneration received/receivable from Group and Bank			
2024	**Fees RM'000**	**Other emoluments RM'000**	**Benefits-in-kind RM'000**	**Total RM'000**
Non-Executive Directors:				
Voon Seng Chuan	170	273	2	445
Dato' Sri Abdul Hamidy Abdul Hafiz	160	120	-	280
Dr Veerinderjeet Singh a/l Tejwant Singh	160	115	2	277
U Chen Hock	160	120	5	285
Soo Kim Wai	160	112	20	292
Ng Chih Kaye	160	118	9	287
Foong Pik Yee	160	110	11	281
	1,130	968	49	2,147
2023				
Non-Executive Directors:				
Voon Seng Chuan	160	270	2	432
Dato' Sri Abdul Hamidy Abdul Hafiz	150	130	-	280
Dr Veerinderjeet Singh a/l Tejwant Singh	150	115	2	267
U Chen Hock	150	115	4	269
Soo Kim Wai	150	120	20	290
Ng Chih Kaye	150	125	10	285
Foong Pik Yee	150	103	6	259
	1,060	978	44	2,082

37. ALLOWANCES FOR IMPAIRMENT ON LOANS AND ADVANCES

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment on loans and advances (Note 14(i))	671,060	438,620	671,172	438,540
Impaired loans and advances recovered, net	(185,277)	(179,629)	(185,277)	(179,629)
	485,783	258,991	485,895	258,911

38. ALLOWANCES FOR/(WRITEBACK OF) IMPAIRMENT ON FINANCIAL INVESTMENTS

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income (Note 12(b))	10,480	(1,111)	10,480	(1,111)
Financial investments at amortised cost (Note 13)	10,380	2,455	10,380	2,455
	20,860	1,344	20,860	1,344

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

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Financial assets:				
Cash and short-term funds (Note 6)	(476)	(374)	(476)	(374)
Deposits and placements with banks and other financial institutions (Note 8)	(66)	(1,259)	(66)	(1,259)
Investment account placement (Note 9)	561	(910)	561	(910)
Other assets	18,545	1,550	18,507	1,562
	18,564	(993)	18,526	(981)
Non-financial assets:				
Computer software (Note 22)	110,717	-	110,717	-

The Group and the Bank have performed its annual impairment assessment on the Group's and the Bank's computer software and work-in progress in accordance with MFRS 136 *Impairment of Assets*. The outcome of the annual assessment resulted in RM110.7 million impairment charge during the current financial year. The computer software and work-in-progress impairment charge to the Group's and the Bank's statements of profit and loss is a non-cash item, will have no impact to regulatory capital ratios and does not affect future earnings.

40. TAXATION

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Current tax:				
- Estimated tax payable	293,519	361,379	292,732	359,936
- Overprovision in prior financial years	(491,011)	(7,633)	(490,961)	(7,632)
	(197,492)	353,746	(198,229)	352,304
Deferred tax (Note 16):				
- Origination and reversal of temporary differences	(47,811)	(20,585)	(47,811)	(20,585)
- Overprovision of deferred tax in prior financial years	(1,760)	(5,529)	(1,760)	(5,529)
	(49,571)	(26,114)	(49,571)	(26,114)
Taxation	(247,063)	327,632	(247,800)	326,190

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 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Profit before taxation	1,014,643	1,421,369	1,011,967	1,417,027
Taxation at Malaysian statutory tax rate of 24.0%	243,514	341,129	242,872	340,086
Effect of different tax rates in Labuan	(6,050)	(5,856)	(6,050)	(5,856)
Restricted and non-deductibility of expenses for tax purposes	18,189	16,224	18,175	16,348
Income not subject to tax	(9,709)	(9,111)	(9,684)	(10,306)
Tax on share in results of associates	156	(671)	-	-
Tax recoverable recognised on income subject to tax remission	(392)	(921)	(392)	(921)
Overprovision of current tax in prior financial years	(491,011)	(7,633)	(490,961)	(7,632)
Overprovision of deferred tax in prior financial years	(1,760)	(5,529)	(1,760)	(5,529)
Taxation for the financial year	(247,063)	327,632	(247,800)	326,190

41. EARNINGS PER SHARE

	Group 2024	Group 2023	Bank 2024	Bank 2023
Net profit attributable to equity holder of the Bank (RM'000)	1,261,686	1,093,738	1,259,767	1,090,837
Number of ordinary shares at beginning and end of the financial year representing weighted average number of ordinary shares in issue ('000)	949,927	949,927	949,927	949,927
Basic/diluted earnings per share (sen)	132.82	115.14	132.62	114.83

42. DIVIDENDS

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

The financial statements for the current financial year do not reflect the proposed final dividend in respect of the financial year ended 31 March 2024 and will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2025.

43. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) Parties are considered to be related 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 or the parties are subject to common control or common significant influence. Related parties may be individuals or other entities.

The related parties of the Group and of the Bank are:

(i) Subsidiaries

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

(ii) Related companies

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

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

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

Other associate of the holding company is AmFirst REIT and Liberty Global Holdings Sdn Bhd (formerly known as Liberty Insurance Berhad).

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

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

(a) The related parties of the Group and of the Bank are (Cont'd.):

(iv) Key management personnel ("KMP")

KMP are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Bank, either directly or indirectly. The key management personnel of the Group and of the Bank include the Chief Executive Officer, Executive and Non-Executive Directors of the Bank and of the holding company and certain members of the senior management of the Group (including close members of their families).

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

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

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

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

(b) There were no granting of loans to the Directors of the Bank other than in the normal course of business of the Group and of the Bank. Loans made to Directors and other key management personnel of the Group are on similar terms and conditions generally available to other employees within the Group. No provisions have been recognised in respect of loans given to Directors and key management personnel.

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

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

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

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

	Holding company		Related companies		Associates and joint ventures		KMP		Companies in which certain KMP have substantial financial interest		Companies which have significant influence over the Group	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023#
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Income												
Bancassurance commission	-	-	-	6,200	39,044	28,186	-	-	-	-	-	-
Fee income	-	-	-	1,610	5,024	3,703	3	1	-	-	-	-
Interest on deposits *	-	-	114,290	48,715	-	-	-	-	-	-	-	-
Interest on investment account placement	-	-	57,862	52,265	-	-	-	-	-	-	-	-
Interest on financial investments at FVOCI	-	-	10,785	36,477	-	-	-	-	-	-	-	-
Interest on loans and advances	-	-	63	54	13,166	12,779	125	170	-	169	-	-
Interest on derivatives	-	-	2,502	6,220	-	-	-	-	-	-	-	-
Gain/(loss) on derivatives	-	-	1,713	(2,005)	-	-	-	-	-	-	-	16,068
Foreign exchange (loss)/gain	-	-	(8,307)	(14,298)	-	-	-	-	-	-	-	3,963
Rental income	-	-	7,337	7,607	-	-	-	-	-	-	-	-
Service transfer pricing income	31,706	27,973	458,992	316,803	-	-	-	-	-	-	-	-
	31,706	27,973	645,237	459,648	57,234	44,668	128	171	-	169	-	20,031
Expenses												
Interest on deposits	1,507	3,579	25,200	8,960	622	-	658	437	-	9	-	-
Insurance premium	-	-	-	3,056	33,806	19,460	-	-	-	-	-	-
Rental	-	-	45	40	-	-	-	-	-	256	-	-
Service transfer pricing expense	-	-	826	1,259	-	-	-	-	-	-	-	-
Storage	-	-	-	-	15	2	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-	350	-	-	-
Marketing	-	-	-	68	79	10	-	-	311	139	-	-
Motor vehicle expenses	-	-	-	9	71	20	-	-	-	-	-	-
Travelling	-	-	-	-	-	-	-	-	681	701	-	-
Customer loyalty awards	-	-	-	-	3,619	4,425	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-	34	-	-
Purchase of non-capitalised assets	-	-	-	-	-	-	-	-	-	24	-	-
Depreciation of right-of-use assets	-	-	1,885	2,080	41,148	44,234	-	-	-	-	-	-
Finance cost for lease liabilities	-	-	437	37	1,661	2,074	-	-	-	-	-	-
	1,507	3,579	28,393	15,509	81,021	70,225	658	437	1,342	1,163	-	-

* Included fair value gain of RM11.8 million (2023: RM Nil) arising from the differential between the concession rates received and market rates of the placements made to AmBank Islamic and its unwinding amount for the financial year of gain of RM1.6 million (2023: gain of RM4.4 million) (Note 32).

Relates to transactions and balances with ANZ Funds Pty Limited (no longer has significant influence over the Group and the Bank as at 31 March 2024).

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

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

	Holding company		Subsidiaries		Related companies		Associates and joint ventures		KMP		Companies in which certain KMP have substantial financial interest		Companies which have significant influence over the holding company	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023#
Bank	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Income														
Bancassurance commission	-	-	-	-	-	6,200	39,044	28,186	-	-	-	-	-	-
Fee income	-	-	-	-	-	1,610	5,024	3,703	3	1	-	-	-	-
Interest on deposits *	-	-	-	-	113,497	48,254	-	-	-	-	-	-	-	-
Interest on investment account placement	-	-	-	-	57,862	52,265	-	-	-	-	-	-	-	-
Interest on financial investments at FVOCI	-	-	-	-	10,785	36,477	-	-	-	-	-	-	-	-
Interest on loans and advances	-	-	20,444	7,222	63	54	13,166	12,779	125	170	-	169	-	-
Interest on derivatives	-	-	-	-	2,502	6,220	-	-	-	-	-	-	-	-
Gain/(loss) on derivatives	-	-	-	-	1,713	(2,005)	-	-	-	-	-	-	-	16,068
Foreign exchange (loss)/gain	-	-	-	-	(8,307)	(14,298)	-	-	-	-	-	-	-	3,963
Rental income	-	-	-	-	7,337	7,607	-	-	-	-	-	-	-	-
Service fee	-	-	1,955	1,064	-	-	-	-	-	-	-	-	-	-
Service transfer pricing income	31,706	27,973	-	-	458,992	316,803	-	-	-	-	-	-	-	-
	31,706	27,973	22,399	8,286	644,444	459,187	57,234	44,668	128	171	-	169	-	20,031
Expenses														
Interest on deposits	1,507	3,579	80	17	25,200	8,960	622	-	658	437	-	9	-	-
Insurance premium	-	-	-	-	-	2,948	33,806	19,460	-	-	-	-	-	-
Rental	-	-	487	487	45	40	-	-	-	-	-	256	-	-
Service transfer pricing expense	-	-	-	-	826	1,259	-	-	-	-	-	-	-	-
Storage	-	-	-	-	-	-	15	2	-	-	-	-	-	-
Training	-	-	-	-	-	-	-	-	-	-	350	-	-	-
Marketing	-	-	-	-	-	68	79	10	-	-	311	139	-	-
Motor vehicle expenses	-	-	-	-	-	9	71	20	-	-	-	-	-	-
Travelling	-	-	-	-	-	-	-	-	-	-	681	701	-	-
Customer loyalty awards	-	-	-	-	-	-	3,619	4,425	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-	-	-	34	-	-
Purchase of non-capitalised assets	-	-	-	-	-	-	-	-	-	-	-	24	-	-
Depreciation of right-of-use assets	-	-	409	409	1,885	2,080	41,148	44,234	-	-	-	-	-	-
Finance cost for lease liabilities	-	-	102	113	437	37	1,661	2,074	-	-	-	-	-	-
	1,507	3,579	1,078	1,026	28,393	15,401	81,021	70,225	658	437	1,342	1,163	-	-

* Included fair value gain of RM11.8 million (2023: RM Nil) arising from the differential between the concession rates received and market rates of the placements made to AmBank Islamic and its unwinding amount for the financial year of gain of RM1.6 million (2023: gain of RM4.4 million) (Note 32).

Relates to transactions and balances with ANZ Funds Pty Limited (no longer has significant influence over the Group and the Bank as at 31 March 2024).

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

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

	Holding company		Related companies		Associates and joint ventures		KMP		Companies in which certain KMP have substantial financial interest		Companies which have significant influence over the holding company	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023#
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Assets:												
Cash and short-term funds	-	-	566,520	491,675	-	-	-	-	-	-	-	-
Deposits and placements	-	-	1,784,033	907,860	-	-	-	-	-	-	-	-
Investment account placement	-	-	1,364,533	1,537,252	-	-	-	-	-	-	-	-
Derivative financial assets	-	-	35,607	14,208	-	-	-	-	-	-	-	22,194
Financial investments at fair value through other comprehensive income	-	-	58,717	1,253,823	-	-	-	-	-	-	-	-
Loans and advances	-	-	15,677	-	11	320	5,745	4,230	-	128,106	-	-
Interest receivable	-	-	42,804	12,693	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Right-of-use assets	-	-	20,266	693	58,114	98,170	-	-	-	-	-	-
Amounts due from subsidiaries and related companies	8,605	4,492	9,593	14,237	19,598	16,394	-	-	-	-	-	-
	8,605	4,492	3,897,750	4,232,441	77,723	114,884	5,745	4,230	-	128,106	-	22,194
Liabilities:												
Deposits and placements	33,683	97,612	823,993	350,613	121,144	123,942	20,574	20,563	-	-	-	79,855
Derivative financial liabilities	-	-	5,547	24,840	-	-	-	-	-	-	-	2,719
Interest payable	-	-	12,558	10	-	-	-	-	-	-	-	-
Lease liabilities	-	-	20,463	711	59,770	100,823	-	-	-	-	-	-
Amounts due to subsidiaries and related companies	-	-	1,233,489	206,711	-	-	-	-	-	-	-	-
	33,683	97,612	2,096,050	582,885	180,914	224,765	20,574	20,563	-	-	-	82,574
Commitments and contingencies:												
Contingent liabilities	-	-	-	-	-	138,797	-	-	-	-	-	-
Commitments	-	-	280,323	-	-	254,399	3,021	2,918	-	22,000	-	-
Contract/notional amount for derivatives	-	-	1,815,699	2,367,427	-	-	-	-	-	-	-	2,482,795
	-	-	2,096,022	2,367,427	-	393,196	3,021	2,918	-	22,000	-	2,482,795

Relates to transactions and balances with ANZ Funds Pty Limited (no longer has significant influence over the Group and the Bank as at 31 March 2024).

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

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

	Holding company		Subsidiaries		Related companies		Associates and joint ventures		KMP		Companies in which certain KMP have substantial financial interest		Companies which have significant influence over the holding company	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023#
Bank	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Assets:														
Cash and short-term funds	-	-	-	-	566,520	491,675	-	-	-	-	-	-	-	-
Deposits and placements	-	-	-	-	1,784,033	907,860	-	-	-	-	-	-	-	-
Investment account placement	-	-	-	-	1,364,533	1,537,252	-	-	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	35,607	14,208	-	-	-	-	-	-	-	22,194
Financial investments at fair value through other comprehensive income	-	-	-	-	58,717	1,253,823	-	-	-	-	-	-	-	-
Loans and advances	-	-	341,674	355,691	15,677	-	11	320	5,745	4,230	-	128,106	-	-
Interest receivable	-	-	-	-	42,804	12,693	-	-	-	-	-	-	-	-
Right-of-use assets	-	-	3,226	3,635	20,266	693	58,114	98,170	-	-	-	-	-	-
Amounts due from subsidiaries and related companies	8,605	4,492	38	145	9,593	14,237	19,598	16,394	-	-	-	-	-	-
	8,605	4,492	344,938	359,471	3,897,750	4,232,441	77,723	114,884	5,745	4,230	-	128,106	-	22,194
Liabilities:														
Deposits and placements	33,683	97,612	26,894	41,698	823,993	350,613	121,144	123,942	20,574	20,563	-	-	-	79,855
Derivative financial liabilities	-	-	-	-	5,547	24,840	-	-	-	-	-	-	-	2,719
Interest payable	-	-	1	1	12,558	10	-	-	-	-	-	-	-	-
Lease liabilities	-	-	3,424	3,809	20,463	711	59,770	100,823	-	-	-	-	-	-
Amounts due to subsidiaries and related companies	-	-	201	1	1,233,489	206,711	-	-	-	-	-	-	-	-
	33,683	97,612	30,520	45,509	2,096,050	582,885	180,914	224,765	20,574	20,563	-	-	-	82,574
Commitments and contingencies:														
Contingent liabilities	-	-	-	-	-	-	-	138,797	-	-	-	-	-	-
Commitments	-	-	-	44,970	280,323	-	-	254,399	3,021	2,918	-	22,000	-	-
Contract/notional amount for derivatives	-	-	-	-	1,815,699	2,367,427	-	-	-	-	-	-	-	2,482,795
	-	-	-	44,970	2,096,022	2,367,427	-	393,196	3,021	2,918	-	22,000	-	2,482,795

\# Relates to transactions and balances with ANZ Funds Pty Limited (no longer has significant influence over the Group and the Bank as at 31 March 2024).

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

(g) Key management personnel compensation

The remuneration of Directors of the Bank and other key management personnel during the financial year are as follows:

		Group		Bank	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors:					
Fees	36	1,130	1,060	1,130	1,060
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	36	1,017	1,022	1,017	1,022
Total short-term employee benefits		2,147	2,082	2,147	2,082
Other key management personnel:					
Salaries and other remuneration		37,976	33,082	37,976	33,082
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)		11,897	14,973	11,897	14,973
Total short-term employee benefits		49,873	48,055	49,873	48,055

44. CREDIT TRANSACTIONS AND EXPOSURE WITH CONNECTED PARTIES

	Group		Bank	
	2024	2023	2024	2023
Outstanding credit exposures with connected parties (RM'000)	3,538,755	3,059,294	3,538,755	3,424,498
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures (%)	3.36	2.74	3.36	3.07
Percentage of outstanding credit exposures to connected parties which is impaired or in default	0.01	0.01	0.01	0.01

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

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

(b) controlling shareholder and his close relatives;

(c) influential shareholder and his close relatives;

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

(e) officers and their close relatives; officer refers to those 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;

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

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

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

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

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

Credit transactions and exposures to connected parties include the extension of credit facilities and/or commitments and contingencies transactions that give rise to credit/counterparty risk, the underwriting and acquisition of equities, and corporate bonds and/or sukuk issued by the connected parties.

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

45. CAPITAL COMMITMENTS

	Group and Bank	
	2024	**2023**
	RM'000	**RM'000**
Authorised and contracted for:		
Purchase of computer equipment and software	25,846	32,980
Leasehold improvements	5,954	2,931
	31,800	35,911
Authorised but not contracted for:		
Purchase of computer equipment and software	116,781	125,643
	148,581	161,554

46. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions other than those where provision had been made in the financial statements. The commitments and contingencies are not secured against the Group's and the Bank's assets.

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

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Commitments				
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	12,719,151	12,845,730	12,778,751	12,890,700
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	2,876,245	2,606,963	2,876,245	2,606,963
Unutilised credit card lines	4,017,609	3,976,830	4,017,609	3,976,830
Forward asset purchases	691,518	174,223	691,518	174,223
Others	-	-	-	50
	20,304,523	19,603,746	20,364,123	19,648,766
Contingent liabilities				
Direct credit substitutes	1,398,711	2,583,594	1,398,711	2,583,594
Transaction related contingent items	5,447,644	3,519,830	5,447,644	3,519,830
Short-term self-liquidating trade related contingencies	714,097	662,922	714,097	662,922
Obligations under on-going underwriting agreements	-	60,000	-	60,000
	7,560,452	6,826,346	7,560,452	6,826,346
Derivative financial instruments				
Foreign exchange related contracts				
- One year or less	47,126,315	46,163,847	47,126,315	46,163,847
- Over one year to five years	3,573,320	4,810,447	3,573,320	4,810,447
- Over five years	1,173,169	1,639,781	1,173,169	1,639,781
Interest rate related contracts				
- One year or less	8,781,793	12,307,294	8,781,793	12,307,294
- Over one year to five years	21,252,894	19,012,669	21,252,894	19,012,669
- Over five years	5,708,460	3,927,470	5,708,460	3,927,470
Equity and commodity related contracts				
- One year or less	2,618,763	1,352,573	2,618,763	1,352,573
- Over one year to five years	18,840	79,802	18,840	79,802
	90,253,554	89,293,883	90,253,554	89,293,883
Total	118,118,529	115,723,975	118,178,129	115,768,995

47. 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	Less than 12 months RM'000	Over 12 months RM'000	Total RM'000
2024			
ASSETS			
Cash and short-term funds	6,140,967	-	6,140,967
Deposits and placements with banks and other financial institutions	1,700,000	84,033	1,784,033
Investment account placement	-	1,364,533	1,364,533
Derivative financial assets	513,636	496,467	1,010,103
Financial assets at fair value through profit or loss	5,643,231	1,123,451	6,766,682
Financial investments at fair value through other comprehensive income	4,244,510	15,455,619	19,700,129
Financial investments at amortised cost	506,946	6,884,347	7,391,293
Loans and advances	20,964,188	65,284,173	86,248,361
Statutory deposit with Bank Negara Malaysia	-	1,678,024	1,678,024
Deferred tax assets	-	192,707	192,707
Investment in associate	-	17,745	17,745
Other assets	2,775,446	260,100	3,035,546
Right-of-use assets	-	196,449	196,449
Property and equipment	-	129,645	129,645
Intangible assets	-	123,528	123,528
TOTAL ASSETS	42,488,924	93,290,821	135,779,745
LIABILITIES			
Deposits from customers	92,663,616	1,673,794	94,337,410
Deposits and placements of banks and other financial institutions	6,115,824	1,504,306	7,620,130
Securities sold under repurchase agreements	6,328,335	-	6,328,335
Recourse obligation on loans sold to Cagamas Berhad	1,550,003	3,715,014	5,265,017
Derivative financial liabilities	541,727	480,051	1,021,778
Term funding	310,406	1,304,585	1,614,991
Debt capital	-	3,095,000	3,095,000
Other liabilities	3,717,862	402,268	4,120,130
TOTAL LIABILITIES	111,227,773	12,175,018	123,402,791

47. MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONT'D.)

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled (Cont'd.).

Group	Less than 12 months RM'000	Over 12 months RM'000	Total RM'000
2023			
ASSETS			
Cash and short-term funds	6,874,702	-	6,874,702
Deposits and placements with banks and other financial institutions	976,605	107,860	1,084,465
Investment account placement	-	1,537,252	1,537,252
Derivative financial assets	341,667	582,006	923,673
Financial assets at fair value through profit or loss	9,386,313	805,488	10,191,801
Financial investments at fair value through other comprehensive income	6,962,438	13,343,914	20,306,352
Financial investments at amortised cost	199,478	9,015,239	9,214,717
Loans and advances	20,790,885	61,675,529	82,466,414
Statutory deposit with Bank Negara Malaysia	-	1,552,337	1,552,337
Deferred tax assets	-	164,294	164,294
Investment in associate	-	18,395	18,395
Other assets	1,665,940	282,442	1,948,382
Right-of-use assets	-	224,596	224,596
Property and equipment	-	146,013	146,013
Intangible assets	-	202,069	202,069
TOTAL ASSETS	47,198,028	89,657,434	136,855,462
LIABILITIES			
Deposits from customers	83,327,134	2,051,411	85,378,545
Deposits and placements of banks and other financial institutions	7,357,179	1,304,515	8,661,694
Securities sold under repurchase agreements	16,466,674	-	16,466,674
Recourse obligation on loans sold to Cagamas Berhad	6,600,036	-	6,600,036
Derivative financial liabilities	415,900	550,527	966,427
Term funding	1,014,027	323,400	1,337,427
Debt capital	-	3,095,000	3,095,000
Other liabilities	2,723,771	426,192	3,149,963
TOTAL LIABILITIES	117,904,721	7,751,045	125,655,766

47. 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	Less than 12 months RM'000	Over 12 months RM'000	Total RM'000
2024			
ASSETS			
Cash and short-term funds	6,103,853	-	6,103,853
Deposits and placements with banks and other financial institutions	1,700,000	84,033	1,784,033
Investment account placement	-	1,364,533	1,364,533
Derivative financial assets	513,636	496,467	1,010,103
Financial assets at fair value through profit or loss	5,643,198	1,123,451	6,766,649
Financial investments at fair value through other comprehensive income	4,244,510	15,455,619	19,700,129
Financial investments at amortised cost	506,946	6,884,347	7,391,293
Loans and advances	21,298,411	64,939,582	86,237,993
Statutory deposit with Bank Negara Malaysia	-	1,678,024	1,678,024
Deferred tax assets	-	192,707	192,707
Investment in subsidiaries	-	13,477	13,477
Investment in associates	-	19,598	19,598
Other assets	2,773,752	260,100	3,033,852
Right-of-use assets	-	197,072	197,072
Property and equipment	-	123,472	123,472
Intangible assets	-	123,528	123,528
TOTAL ASSETS	42,784,306	92,956,010	135,740,316
LIABILITIES			
Deposits from customers	92,667,647	1,673,794	94,341,441
Deposits and placements of banks and other financial institutions	6,141,886	1,504,306	7,646,192
Securities sold under repurchase agreements	6,328,335	-	6,328,335
Recourse obligation on loans sold to Cagamas Berhad	1,550,003	3,715,014	5,265,017
Derivative financial liabilities	541,727	480,051	1,021,778
Term funding	310,406	1,304,585	1,614,991
Debt capital	-	3,095,000	3,095,000
Other liabilities	3,718,027	383,851	4,101,878
TOTAL LIABILITIES	111,258,031	12,156,601	123,414,632

47. 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	Less than 12 months RM'000	Over 12 months RM'000	Total RM'000
2023			
ASSETS			
Cash and short-term funds	6,873,677	-	6,873,677
Deposits and placements with banks and other financial institutions	976,605	107,860	1,084,465
Investment account placement	-	1,537,252	1,537,252
Derivative financial assets	341,667	582,006	923,673
Financial assets at fair value through profit or loss	9,386,276	805,488	10,191,764
Financial investments at fair value through other comprehensive income	6,962,438	13,343,914	20,306,352
Financial investments at amortised cost	199,478	9,015,239	9,214,717
Loans and advances	20,760,129	61,675,529	82,435,658
Statutory deposit with Bank Negara Malaysia	-	1,552,337	1,552,337
Deferred tax assets	-	164,294	164,294
Investment in subsidiaries	-	22,487	22,487
Investment in associates	-	19,617	19,617
Other assets	1,664,510	282,442	1,946,952
Right-of-use assets	-	225,632	225,632
Property and equipment	-	139,705	139,705
Intangible assets	-	202,069	202,069
TOTAL ASSETS	47,164,780	89,675,871	136,840,651
LIABILITIES			
Deposits from customers	83,339,787	2,051,411	85,391,198
Deposits and placements of banks and other financial institutions	7,397,242	1,304,515	8,701,757
Securities sold under repurchase agreements	16,466,674	-	16,466,674
Recourse obligation on loans sold to Cagamas Berhad	6,600,036	-	6,600,036
Derivative financial liabilities	415,900	550,527	966,427
Term funding	1,014,027	323,400	1,337,427
Debt capital	-	3,095,000	3,095,000
Other liabilities	2,705,598	426,192	3,131,790
TOTAL LIABILITIES	117,939,264	7,751,045	125,690,309

48. 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 AMMB 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. AMMB Group’s target capital levels are set taking into account its risk appetite and its risk profile under future expected and stressed economic scenarios.

AMMB 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 AMMB Group’s business activities.

The capital that AMMB Group is required to hold is determined by its risk exposures after applying collaterals and other risk mitigants.

AMMB Group has in place processes and controls to monitor and manage capital adequacy across the organisation. AMMB 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 AMMB Group’s capital position and any actions impacting the capital levels.

BNM's Transitional Arrangements for Regulatory Capital Treatment of Accounting Provisions took effect on 9 December 2020 in which the Group is allowed to add back a portion of the loss allowance for non-credit-impaired exposures (i.e. Stage 1 and Stage 2 provisions) to Common Equity Tier 1 ("CET1") Capital from Financial Year 2021 to Financial Year 2024.

48. CAPITAL MANAGEMENT (CONT'D.)

(a) Capital adequacy ratios

The capital adequacy ratios of the Group and of the Bank as at 31 March are as follows:

Under transitional arrangement (Note (i)):	31 March 2024		31 March 2023	
	Group	**Bank**	**Group**	**Bank**
Before deducting proposed dividends:				
CET 1 Capital Ratio	13.559%	13.437%	12.450%	12.318%
Tier 1 Capital Ratio	13.559%	13.437%	12.450%	12.318%
Total Capital Ratio	18.201%	18.057%	17.026%	16.867%
After deducting proposed dividends:				
CET 1 Capital Ratio	13.047%	12.927%	12.259%	12.129%
Tier 1 Capital Ratio	13.047%	12.927%	12.259%	12.129%
Total Capital Ratio	17.688%	17.547%	16.835%	16.677%

Notes:

(i) Pursuant to the revised BNM policy document, Capital Adequacy Framework (Capital Component) issued on 15 December 2023, capital ratios of the Group and of the Bank had been computed applying transitional arrangement on provision for ECL. Had the transitional arrangement not been applied, the capital ratios of the Group and of the Bank as at 31 March 2024 and 31 March 2023 are as follow:

	31 March 2024		31 March 2023	
	Group	**Bank**	**Group**	**Bank**
Before deducting proposed dividends:				
CET 1 Capital Ratio	13.306%	13.185%	12.101%	11.972%
Tier 1 Capital Ratio	13.306%	13.185%	12.101%	11.972%
Total Capital Ratio	17.993%	17.856%	16.825%	16.675%
After deducting proposed dividends:				
CET 1 Capital Ratio	12.794%	12.675%	11.911%	11.783%
Tier 1 Capital Ratio	12.794%	12.675%	11.911%	11.783%
Total Capital Ratio	17.480%	17.346%	16.635%	16.486%

(ii) Pursuant to the above BNM's guideline on Capital Adequacy Framework (Capital Components), the minimum capital adequacy ratios to be maintained are at 4.5% for CET 1 capital, 6.0% for Tier 1 capital and 8.0% for total capital ratio. In addition, banking institutions are also required to maintain capital buffers in form of CET 1 capital above the minimum CET 1 Capital, Tier 1 Capital and Total Capital adequacy levels. The capital buffers shall comprise the sum of the following:

(a) a Capital Conservation Buffer ("CCB") of 2.5%;

(b) a Countercyclical Capital Buffer ("CCyB") determined as the weighted-average of the prevailing CCyB rates applied in the jurisdictions in which the Bank 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

(c) a Higher Loss Absorbency ("HLA") requirement for a financial institution that is designated as a domestic systemically important bank ("D-SIB").

48. CAPITAL MANAGEMENT (CONT'D.)

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

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
CET 1 Capital				
Share capital	3,040,465	3,040,465	3,040,465	3,040,465
Retained earnings	8,512,335	7,456,999	8,561,556	7,508,139
Fair value reserve	411,695	299,138	411,695	299,138
Foreign currency translation reserve	121,067	101,830	124,851	105,630
Regulatory reserve	188,146	201,229	188,146	201,229
Merger reserve	104,149	104,149	-	-
Cash flow hedging deficit	(1,029)	(4,259)	(1,029)	(4,259)
Less : Regulatory adjustments applied on CET 1 Capital				
- Intangible assets	(123,528)	(202,069)	(123,528)	(202,069)
- Deferred tax assets	(198,535)	(182,451)	(198,535)	(182,451)
- 55% of cumulative gains of fair value reserve	(226,432)	(164,526)	(226,432)	(164,526)
- Cash flow hedging deficit	1,029	4,259	1,029	4,259
- Regulatory reserve	(188,146)	(201,229)	(188,146)	(201,229)
- Investments in ordinary shares of unconsolidated financial and insurance/takaful entities	-	-	(1)	(11)
- Unrealised fair value gains on financial liabilities due to changes in own credit risk	(1,354)	(2,756)	(1,354)	(2,756)
- Other CET1 regulatory adjustments specified by the BNM	221,507	300,815	221,599	300,721
Total CET 1 Capital	11,861,369	10,751,594	11,810,316	10,702,280
Additional Tier 1 Capital				
Qualifying CET 1, Additional Tier 1 capital instruments held by third parties	2	2	-	-
Total Tier 1 Capital	11,861,371	10,751,596	11,810,316	10,702,280
Tier 2 Capital				
Tier 2 Capital instruments meeting all relevant criteria for inclusion	3,095,000	3,095,000	3,095,000	3,095,000
Qualifying CET 1, Additional Tier 1 and Tier 2 capital instruments held by third parties	1	1	-	-
General provisions*	965,228	857,075	965,363	857,088
Total Tier 2 Capital	4,060,229	3,952,076	4,060,363	3,952,088
Total Capital	15,921,600	14,703,672	15,870,679	14,654,368

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

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Credit RWA	80,388,525	78,754,012	80,811,594	79,287,050
Market RWA	1,708,940	1,624,390	1,708,904	1,624,350
Operational RWA	5,379,189	5,197,465	5,370,458	5,186,909
Large exposure risk RWA for equity holdings	-	785,485	-	785,485
Total RWA	87,476,654	86,361,352	87,890,956	86,883,794

* Consists of Stage 1 and Stage 2 loss allowances and regulatory reserve.

49. RISK MANAGEMENT

49.1 GENERAL RISK MANAGEMENT DISCLOSURE

Risk Management Framework

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

The Risk Appetite Framework ("RAF") is reviewed and approved annually by the Board taking into account the Group's desired external rating and targeted profitability/return on capital employed ("ROCE") and is reviewed periodically throughout the financial year by both the executive management and the Board to consider any fine tuning/enhancements taking into consideration the prevailing or in anticipation of challenges to the environment that the Group operates in.

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

AMMB Group Risk Direction

AMMB Group's FY2021 to FY2024 Strategy blueprint is to focus on 8 key areas, namely, (1) Attaining a Return on Equity ("ROE") of ≥10%, (2) Sharpening Our Segment Play, (3) Harnessing Expertise Across AMMB Group to Deliver AmBank Holistic Customer Value Proposition, (4) Offer Differentiated and Profitable Products, (5) Building Capacity and Efficiency through Digital Initiatives, (6) Retaining and Embedding Principled, Proactive, Appreciative, Collaborative and Experimental ("P^2ACE") DNA, (7) Integrating Environmental, Social and Governance ("ESG") Focusing on Responsible Banking and (8) Exploring Digital Bank Option.

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

2. AMMB Group aims to maintain a minimum ROCE of 12% and RWA efficiency (CRWA/EAD) in the range of 40% to 50%, both based on Foundation Internal Ratings-Based ("FIRB").

3. AMMB Group aims to maintain its Total Capital Ratio at AMMB Group's Internal Capital Target under normal conditions.

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

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

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

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

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

7. AMMB Group aims for at least 70% of its loan portfolio to constitute exposures with low Environmental, Social and Governance Risk Grade ("ESG-RG") by FY2030.

8. AMMB Group aims to maintain its Interest Rate Risk in Banking Book ("IRRBB") ICAAP Pillar 2 over total capital ratio for the Bank at below 8.5%.

49. RISK MANAGEMENT (CONT'D.)

49.1 GENERAL RISK MANAGEMENT DISCLOSURE (CONT'D.)

Risk Management Governance

The Board is ultimately accountable for the management of risks within the Group. The RMC is formed to assist the Board in discharging its duties in overseeing the overall management of all risks including but not limited to market risk, liquidity risk, credit risk, operational risk, technology and cyber risk.

The Board also has established the Management Committees to assist in managing the risks and businesses of the Group. The Management Committees address all classes of risk within its Board delegated mandate: balance sheet risk, credit risk, legal risk, operational risk, technology risk, market risk, compliance risk, reputational risk, product and business risk, IT project risk, climate related risk and ESG risk.

AMMB Group has an independent risk management function, headed by the Group Chief Risk Officer who:

- is responsible for establishing an enterprise wide risk management framework in all areas including financial, credit, market, operational, reputational, security, technology, emerging risks, climate related risk and ESG risk;
- essentially champions and embeds a positive risk culture across AMMB Group to ensure that risk taking activities across AMMB Group are aligned to AMMB Group’s risk appetite and strategies; and
- through the RMC, has access to AMMB Board and the Boards of the respective banking entities to facilitate suitable escalation of issues of concern across the organisation.

Impact of Expired Payment Holiday/ Repayment Assistance

Consumer and small SMEs that are still on payment holiday and repayment assistance ("PH/RA") plans due to the COVID-19 pandemic is no longer a significant part of the portfolio. However, the Group remains cautious of the quality of this portfolio, especially those that have expired from multiple enrolments of the assistance programs. Close monitoring is being carried out on the remaining accounts in this segment and the portfolio has been assessed to ensure sufficient provisions have been allocated accordingly.

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT

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

Identification	• Identify/recognise credit risk on transactions and/or positions • Select asset and portfolio mix
Assessment/ Measurement	• Internal credit rating system • Probability of default (“PD”) • Loss given default (“LGD”) • Exposure at default (“EAD”) • Expected loss ("EL") • Gross impaired loan ("GIL")
Control/ Mitigation	• Portfolio Limits, Counterparty Limits • Non-Retail Pricing and Risk-base pricing for Retail • Collateral and tailored facility structures (discretionary lending) • Pre-set assessment criteria and acceptance criteria (program lending)
Monitoring/ Review	• Monitor and report portfolio mix • Review Classified Accounts • Review Reschedule and Restructured Accounts • Undertake post mortem credit review • Annual refresh of customers' credit risk rating

Credit risk is the risk of loss due to the inability or unwillingness of a counterparty to meet its payment obligations. Exposure to credit risk arises from lending, securities and derivative exposures. The identification of credit risk is done by assessing the potential impact of internal and external factors on the Group's transactions and/or positions.

The primary objective of credit risk management is to maintain accurate risk recognition - identification and measurement, to ensure that credit risk exposure is in line with the Group Risk Appetite Framework ("GRAF") and related credit policies.

For non-retail credits, risk assessment is a combination of both qualitative and quantitative assessment (including the financial standing of the customer or counterparty using the Bank's credit rating model where the scores are translated into rating grade) on the customer or counterparty. The assigned credit rating grade forms a crucial part of the credit analysis undertaken for the Bank’s credit exposures and the overall credit assessment is conducted either through a program lending or discretionary lending approach.

For retail credits, credit-scoring systems to better differentiate the quality of borrowers are being used to complement the credit assessment and approval processes.

To support credit risk management, our rating models for major portfolios have been upgraded to facilitate:

- improvement in the accuracy of individual obligor risk ratings;
- enhancement to pricing models;
- loan loss provision calculation;
- stress-testing; and
- enhancement to portfolio management.

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

Lending activities are guided by internal credit policies and GRAF that are approved by the Board. The GRAF is refreshed at least annually and with regard to credit risk, provides direction as to portfolio management strategies and internal limits designed to deliver the Group's optimal portfolio mix. Credit risk portfolio management strategies include, amongst others:

- Concentration threshold/review triggers:
  - single counterparty credit exposure;
  - industry sector exposure; and
  - country risk exposure;
- Setting Loan to Value limits for asset backed loans;
- Non-Retail Credit Policy ("NRCP") and Retail Credit Policy ("RCP"), which sets out the credit principles and requirements for managing credit risk in the Wholesale Banking ("WB"), Business Banking ("BB") and Retail Banking ("RB") portfolios;
- Classified Account Management requirements are in place for the non-retail portfolio, this sets out the identification and management (including monitoring requirements) of customers that exhibit significant increase in credit risk or show symptoms of potential credit issues;
- Rescheduled and Restructured ("R&R") Account Management (embedded within the NRCP for WB and BB and RCP for RB) sets out the controls in managing R&R loans; and
- Setting Retail risk controls capping for higher risk segment to ensure credit approval practice is aligned with the credit policies and GRAF.

Exposure outside the approval discretions of individual Credit Approval Delegation ("CAD") holders are escalated to the 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 loan portfolio and review the portfolio risk profile against the GRAF and recommend or approve new and amended credit risk policies or guidelines.

Group Risk Management prepares monthly Risk Reports which detail important portfolio composition and trend analysis incorporating asset growth, asset quality, impairments, flow rates of loan delinquency buckets and exposures by industry sectors are reported monthly to executive management and to all meetings of the Board.

Maximum Credit Risk Exposure and Concentration

Credit Risk Exposure and Concentration

The Group's concentration of risk is managed by industry sector, risk grade asset quality and single customer limit ("SCL"). The Group applies SCL to monitor the large exposures to single counterparty risk.

For financial assets recognised on the statement 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 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.

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) 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 Hotel and Restaurants RM'000	Transport, Storage and Communication RM'000	Subtotal RM'000
2024								
Cash and short-term funds	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Investment account placement	-	-	-	-	-	-	-	-
Derivative financial assets	18,892	145,119	88,483	149	290	8,487	1,798	263,218
Financial assets at fair value through profit or loss								
Money Market Securities	-	-	-	-	-	-	-	-
Quoted Sukuk	-	-	-	-	10,249	-	-	10,249
Unquoted Corporate bonds and sukuk	-	-	-	2,332	4,074	-	197,616	204,022
Total financial assets at fair value through profit or loss	-	-	-	2,332	14,323	-	197,616	214,271
Financial investments at fair value through other comprehensive income								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	411,891	8,674	111,088	1,397,610	1,600,275	273,328	725,477	4,528,343
Total financial investments at fair value through other comprehensive income	411,891	8,674	111,088	1,397,610	1,600,275	273,328	725,477	4,528,343
Financial investments at amortised cost								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	25,019	41,439	300,000	266,020	880,087	1,805,000	568,402	3,885,967
Allowances for ECL	-	-	-	-	-	-	-	-
Total financial investments at amortised cost	25,019	41,439	300,000	266,020	880,087	1,805,000	568,402	3,885,967
Loans and advances								
Retail banking	92,697	30,452	753,249	99,966	707,370	1,905,031	317,773	3,906,538
Wholesale banking	254,836	1,466,943	2,904,254	453,471	973,823	873,055	754,785	7,681,167
Business banking	1,096,260	182,629	7,723,605	547,025	2,231,317	6,791,357	1,338,081	19,910,274
Others	5,380	-	58,926	-	150	-	8,592	73,048
Allowances for ECL	-	-	-	-	-	-	-	-
Total loans and advances	1,449,173	1,680,024	11,440,034	1,100,462	3,912,660	9,569,443	2,419,231	31,571,027
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-
Other financial assets	1,233	3,687	13,733	37,415	47,409	19,936	18,526	141,939
Commitments	386,150	147,308	4,054,989	117,329	2,549,667	2,328,572	478,132	10,062,147
Contingent liabilities	89,534	163,589	1,444,276	362,878	2,877,545	421,217	409,075	5,768,114
Total commitments and contingent liabilities	475,684	310,897	5,499,265	480,207	5,427,212	2,749,789	887,207	15,830,261

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Group	Subtotal from previous page RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Allowances for ECL RM'000	Total RM'000
2024										
Cash and short-term funds	-	4,779,031	1,363,229	-	-	-	-	-	(1,293)	6,140,967
Deposits and placements with banks and other financial institutions	-	1,784,033	-	-	-	-	-	-	-	1,784,033
Investment account placement	-	1,366,363	-	-	-	-	-	-	(1,830)	1,364,533
Derivative financial assets	263,218	740,904	-	1,749	2,950	6	784	492	-	1,010,103
Financial assets at fair value through profit or loss										
Money Market Securities	-	-	3,811,453	-	-	-	-	-	-	3,811,453
Quoted Sukuk	10,249	-	-	-	-	-	-	-	-	10,249
Unquoted Corporate bonds and sukuk	204,022	833,032	-	66,913	-	-	-	-	-	1,103,967
Total financial assets at fair value through profit or loss	214,271	833,032	3,811,453	66,913	-	-	-	-	-	4,925,669
Financial investments at fair value through other comprehensive income										
Money Market Securities	-	200,013	8,347,615	-	-	-	-	-	-	8,547,628
Unquoted Corporate bonds and sukuk	4,528,343	4,831,634	-	400,933	-	93,386	-	523,922	-	10,378,218
Total financial investments at fair value through other comprehensive income	4,528,343	5,031,647	8,347,615	400,933	-	93,386	-	523,922	-	18,925,846
Financial investments at amortised cost										
Money Market Securities	-	-	1,741,723	-	-	-	-	-	-	1,741,723
Unquoted Corporate bonds and sukuk	3,885,967	1,247,190	-	40,129	15,000	10,482	-	501,223	-	5,699,991
Allowances for ECL	-	-	-	-	-	-	-	-	(50,421)	(50,421)
Total financial investments at amortised cost	3,885,967	1,247,190	1,741,723	40,129	15,000	10,482	-	501,223	(50,421)	7,391,293
Loans and advances										
Retail banking	3,906,538	33,515	-	596,497	672,802	154,012	43,301,081	622	-	48,665,067
Wholesale banking	7,681,167	584,046	-	2,325,246	228,738	175,683	82,025	-	-	11,076,905
Business banking	19,910,274	665,911	-	3,872,016	944,938	766,289	230,536	-	-	26,389,964
Others	73,048	32,013	-	159,065	32,326	3,592	1,187,798	-	-	1,487,842
Allowances for ECL	-	-	-	-	-	-	-	-	(1,371,417)	(1,371,417)
Total loans and advances	31,571,027	1,315,485	-	6,952,824	1,878,804	1,099,576	44,801,440	622	(1,371,417)	86,248,361
Statutory deposit with Bank Negara Malaysia	-	-	1,678,024	-	-	-	-	-	-	1,678,024
Other financial assets	141,939	1,650,832	259,133	13,847	512	587	50,811	11,792	(21,844)	2,107,609
Commitments	10,062,147	524,851	561,518	676,570	291,239	366,044	7,805,302	16,852	-	20,304,523
Contingent liabilities	5,768,114	903,226	-	564,629	229,764	93,843	876	-	-	7,560,452
Total commitments and contingent liabilities	15,830,261	1,428,077	561,518	1,241,199	521,003	459,887	7,806,178	16,852	-	27,864,975

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Group	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail Trade and Hotel and Restaurants	Transport, Storage and Communication	Subtotal
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023								
Cash and short-term funds	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Investment account placement	-	-	-	-	-	-	-	-
Derivative financial assets	28,934	-	29,251	6	79	7,109	283	65,662
Financial assets at fair value through profit or loss								
Money Market Securities	-	-	-	-	-	-	-	-
Quoted Sukuk	-	-	-	-	10,236	-	-	10,236
Unquoted Corporate bonds and sukuk	-	-	-	-	20,017	-	357,898	377,915
Total financial assets at fair value through profit or loss	-	-	-	-	30,253	-	357,898	388,151
Financial investments at fair value through other comprehensive income								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	393,397	8,252	39,960	923,007	1,249,653	272,715	406,935	3,293,919
Total financial investments at fair value through other comprehensive income	393,397	8,252	39,960	923,007	1,249,653	272,715	406,935	3,293,919
Financial investments at amortised cost								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	25,028	41,439	340,000	401,249	1,424,393	1,670,000	534,466	4,436,575
Allowances for ECL	-	-	-	-	-	-	-	-
Total financial investments at amortised cost	25,028	41,439	340,000	401,249	1,424,393	1,670,000	534,466	4,436,575
Loans and advances								
Retail banking	104,677	33,060	779,313	109,432	730,469	1,794,970	271,429	3,823,350
Wholesale banking	120,325	1,340,120	2,949,132	634,180	889,925	789,320	2,047,406	8,770,408
Business banking	965,700	163,519	7,117,394	240,945	1,878,389	6,301,646	1,145,465	17,813,058
Others	5,688	-	63,347	-	846	-	9,722	79,603
Allowances for ECL	-	-	-	-	-	-	-	-
Total loans and advances	1,196,390	1,536,699	10,909,186	984,557	3,499,629	8,885,936	3,474,022	30,486,419
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-
Other financial assets	1,131	1,026	9,390	30,870	32,023	210	66,321	140,971
Commitments	363,062	447,623	3,837,083	379,979	2,784,511	2,141,077	252,854	10,206,189
Contingent liabilities	88,954	189,110	1,192,103	290,156	2,828,349	677,359	346,851	5,612,882
Total commitments and contingent liabilities	452,016	636,733	5,029,186	670,135	5,612,860	2,818,436	599,705	15,819,071

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Group	Subtotal from previous page RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Allowances for ECL RM'000	Total RM'000
2023										
Cash and short-term funds	-	5,414,154	1,462,296	-	-	-	-	-	(1,748)	6,874,702
Deposits and placements with banks and other financial institutions	-	1,084,531	-	-	-	-	-	-	(66)	1,084,465
Investment account placement	-	1,538,521	-	-	-	-	-	-	(1,269)	1,537,252
Derivative financial assets	65,662	725,996	-	546	116,235	7,914	4,378	2,942	-	923,673
Financial assets at fair value through profit or loss										
Money Market Securities	-	-	8,090,552	-	-	-	-	-	-	8,090,552
Quoted Sukuk	10,236	-	-	-	-	-	-	-	-	10,236
Unquoted Corporate bonds and sukuk	377,915	405,911	-	172,290	-	30,070	-	10,006	-	996,192
Total financial assets at fair value through profit or loss	388,151	405,911	8,090,552	172,290	-	30,070	-	10,006	-	9,096,980
Financial investments at fair value through other comprehensive income										
Money Market Securities	-	1,193,273	9,559,394	-	-	-	-	-	-	10,752,667
Unquoted Corporate bonds and sukuk	3,293,919	4,654,307	-	285,781	-	38,983	-	542,886	-	8,815,876
Total financial investments at fair value through other comprehensive income	3,293,919	5,847,580	9,559,394	285,781	-	38,983	-	542,886	-	19,568,543
Financial investments at amortised cost										
Money Market Securities	-	-	3,806,020	-	-	-	-	-	-	3,806,020
Unquoted Corporate bonds and sukuk	4,436,575	425,090	-	55,189	20,000	10,529	-	501,355	-	5,448,738
Allowances for ECL	-	-	-	-	-	-	-	-	(40,041)	(40,041)
Total financial investments at amortised cost	4,436,575	425,090	3,806,020	55,189	20,000	10,529	-	501,355	(40,041)	9,214,717
Loans and advances										
Retail banking	3,823,350	38,238	-	601,773	654,591	148,440	42,234,588	3,666	-	47,504,646
Wholesale banking	8,770,408	528,474	-	1,973,472	231,481	23,893	81,358	858	-	11,609,944
Business banking	17,813,058	675,165	-	2,716,601	811,032	909,901	162,422	825	-	23,089,004
Others	79,603	79,863	-	124,751	53,595	3,910	1,225,004	-	-	1,566,726
Allowances for ECL	-	-	-	-	-	-	-	-	(1,303,906)	(1,303,906)
Total loans and advances	30,486,419	1,321,740	-	5,416,597	1,750,699	1,086,144	43,703,372	5,349	(1,303,906)	82,466,414
Statutory deposit with Bank Negara Malaysia	-	-	1,552,337	-	-	-	-	-	-	1,552,337
Other financial assets	140,971	1,017,249	287,333	17,613	8,381	374	19,774	34,919	(3,297)	1,523,317
Commitments	10,206,189	553,937	153,474	427,759	261,002	598,578	7,355,094	47,713	-	19,603,746
Contingent liabilities	5,612,882	486,733	-	475,486	182,212	67,869	1,164	-	-	6,826,346
Total commitments and contingent liabilities	15,819,071	1,040,670	153,474	903,245	443,214	666,447	7,356,258	47,713	-	26,430,092

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Bank	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail Trade and Hotel and Restaurants	Transport, Storage and Communication	Subtotal
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024								
Cash and short-term funds	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Investment account placement	-	-	-	-	-	-	-	-
Derivative financial assets	18,892	145,119	88,483	149	290	8,487	1,798	263,218
Financial assets at fair value through profit or loss								
Money Market Securities	-	-	-	-	-	-	-	-
Quoted Sukuk	-	-	-	-	10,249	-	-	10,249
Unquoted Corporate bonds and sukuk	-	-	-	2,332	4,074	-	197,616	204,022
Total financial assets at fair value through profit or loss	-	-	-	2,332	14,323	-	197,616	214,271
Financial investments at fair value through other comprehensive income								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	411,891	8,674	111,088	1,397,610	1,600,275	273,328	725,477	4,528,343
Total financial investments at fair value through other comprehensive income	411,891	8,674	111,088	1,397,610	1,600,275	273,328	725,477	4,528,343
Financial investments at amortised cost								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	25,019	41,439	300,000	266,020	880,087	1,805,000	568,402	3,885,967
Allowances for ECL	-	-	-	-	-	-	-	-
Total financial investments at amortised cost	25,019	41,439	300,000	266,020	880,087	1,805,000	568,402	3,885,967
Loans and advances								
Retail banking	92,697	30,452	753,249	99,966	707,370	1,905,031	317,773	3,906,538
Wholesale banking	254,836	1,466,943	2,904,254	453,471	973,823	873,055	754,785	7,681,167
Business banking	1,096,260	182,629	7,723,605	547,025	2,231,317	6,791,357	1,338,081	19,910,274
Others	5,380	-	58,926	-	150	-	8,592	73,048
Allowances for ECL	-	-	-	-	-	-	-	-
Total loans and advances	1,449,173	1,680,024	11,440,034	1,100,462	3,912,660	9,569,443	2,419,231	31,571,027
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-
Other financial assets	1,233	3,687	13,735	37,415	47,409	19,936	18,526	141,941
Commitments	386,150	147,308	4,054,989	117,329	2,549,667	2,328,572	478,132	10,062,147
Contingent liabilities	89,534	163,589	1,444,276	362,878	2,877,545	421,217	409,075	5,768,114
Total commitments and contingent liabilities	475,684	310,897	5,499,265	480,207	5,427,212	2,749,789	887,207	15,830,261

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Bank	Subtotal from previous page RM'000	Finance and Insurance RM'000	Government and Central Banks RM'000	Real Estate RM'000	Business Activities RM'000	Education and Health RM'000	Household RM'000	Others RM'000	Allowances for ECL RM'000	Total RM'000
2024										
Cash and short-term funds	-	4,741,917	1,363,229	-	-	-	-	-	(1,293)	6,103,853
Deposits and placements with banks and other financial institutions	-	1,784,033	-	-	-	-	-	-	-	1,784,033
Investment account placement	-	1,366,363	-	-	-	-	-	-	(1,830)	1,364,533
Derivative financial assets	263,218	740,904	-	1,749	2,950	6	784	492	-	1,010,103
Financial assets at fair value through profit or loss										
Money Market Securities	-	-	3,811,453	-	-	-	-	-	-	3,811,453
Quoted Sukuk	10,249	-	-	-	-	-	-	-	-	10,249
Unquoted Corporate bonds and sukuk	204,022	833,032	-	66,913	-	-	-	-	-	1,103,967
Total financial assets at fair value through profit or loss	214,271	833,032	3,811,453	66,913	-	-	-	-	-	4,925,669
Financial investments at fair value through other comprehensive income										
Money Market Securities	-	200,013	8,347,615	-	-	-	-	-	-	8,547,628
Unquoted Corporate bonds and sukuk	4,528,343	4,831,634	-	400,933	-	93,386	-	523,922	-	10,378,218
Total financial investments at fair value through other comprehensive income	4,528,343	5,031,647	8,347,615	400,933	-	93,386	-	523,922	-	18,925,846
Financial investments at amortised cost										
Money Market Securities	-	-	1,741,723	-	-	-	-	-	-	1,741,723
Unquoted Corporate bonds and sukuk	3,885,967	1,247,190	-	40,129	15,000	10,482	-	501,223	-	5,699,991
Allowances for ECL	-	-	-	-	-	-	-	-	(50,421)	(50,421)
Total financial investments at amortised cost	3,885,967	1,247,190	1,741,723	40,129	15,000	10,482	-	501,223	(50,421)	7,391,293
Loans and advances										
Retail banking	3,906,538	33,515	-	596,497	672,802	154,012	42,948,345	622	-	48,312,331
Wholesale banking	7,681,167	926,182	-	2,325,246	228,738	175,683	82,025	-	-	11,419,041
Business banking	19,910,274	665,911	-	3,872,016	944,938	766,289	230,536	-	-	26,389,964
Others	73,048	32,013	-	159,065	32,326	3,592	1,187,798	-	-	1,487,842
Allowances for ECL	-	-	-	-	-	-	-	-	(1,371,185)	(1,371,185)
Total loans and advances	31,571,027	1,657,621	-	6,952,824	1,878,804	1,099,576	44,448,704	622	(1,371,185)	86,237,993
Statutory deposit with Bank Negara Malaysia	-	-	1,678,024	-	-	-	-	-	-	1,678,024
Other financial assets	141,941	1,649,638	259,133	13,847	512	587	50,811	11,792	(21,509)	2,106,752
Commitments	10,062,147	584,451	561,518	676,570	291,239	366,044	7,805,302	16,852	-	20,364,123
Contingent liabilities	5,768,114	903,226	-	564,629	229,764	93,843	876	-	-	7,560,452
Total commitments and contingent liabilities	15,830,261	1,487,677	561,518	1,241,199	521,003	459,887	7,806,178	16,852	-	27,924,575

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Bank	Agriculture	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail Trade and Hotel and Restaurants	Transport, Storage and Communication	Subtotal
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023								
Cash and short-term funds	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	-
Investment account placement	-	-	-	-	-	-	-	-
Derivative financial assets	28,934	-	29,251	6	79	7,109	283	65,662
Financial assets at fair value through profit or loss								
Money Market Securities	-	-	-	-	-	-	-	-
Quoted Sukuk	-	-	-	-	10,236	-	-	10,236
Unquoted Corporate bonds and sukuk	-	-	-	-	20,017	-	357,898	377,915
Total financial assets at fair value through profit or loss	-	-	-	-	30,253	-	357,898	388,151
Financial investments at fair value through other comprehensive income								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	393,397	8,252	39,960	923,007	1,249,653	272,715	406,935	3,293,919
Total financial investments at fair value through other comprehensive income	393,397	8,252	39,960	923,007	1,249,653	272,715	406,935	3,293,919
Financial investments at amortised cost								
Money Market Securities	-	-	-	-	-	-	-	-
Unquoted Corporate bonds and sukuk	25,028	41,439	340,000	401,249	1,424,393	1,670,000	534,466	4,436,575
Allowances for ECL	-	-	-	-	-	-	-	-
Total financial investments at amortised cost	25,028	41,439	340,000	401,249	1,424,393	1,670,000	534,466	4,436,575
Loans and advances								
Retail banking	104,677	33,060	779,313	109,432	730,469	1,794,970	271,429	3,823,350
Wholesale banking	120,325	1,340,120	2,949,132	634,180	889,925	789,320	2,047,406	8,770,408
Business banking	965,700	163,519	7,117,394	240,945	1,878,389	6,301,646	1,145,465	17,813,058
Others	5,688	-	63,347	-	846	-	9,722	79,603
Allowances for ECL	-	-	-	-	-	-	-	-
Total loans and advances	1,196,390	1,536,699	10,909,186	984,557	3,499,629	8,885,936	3,474,022	30,486,419
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	-	-	-
Other financial assets	1,131	1,026	9,390	30,870	32,023	210	66,321	140,971
Commitments	363,062	447,623	3,837,083	379,979	2,784,511	2,141,077	252,854	10,206,189
Contingent liabilities	88,954	189,110	1,192,103	290,156	2,828,349	677,359	346,851	5,612,882
Total commitments and contingent liabilities	452,016	636,733	5,029,186	670,135	5,612,860	2,818,436	599,705	15,819,071

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(a) Industry Analysis (Cont'd.)

Bank	**Subtotal from previous page RM'000**	**Finance and Insurance RM'000**	**Government and Central Banks RM'000**	**Real Estate RM'000**	**Business Activities RM'000**	**Education and Health RM'000**	**Household RM'000**	**Others RM'000**	**Allowances for ECL RM'000**	**Total RM'000**
2023										
Cash and short-term funds	-	5,413,129	1,462,296	-	-	-	-	-	(1,748)	6,873,677
Deposits and placements with banks and other financial institutions	-	1,084,531	-	-	-	-	-	-	(66)	1,084,465
Investment account placement	-	1,538,521	-	-	-	-	-	-	(1,269)	1,537,252
Derivative financial assets	65,662	725,996	-	546	116,235	7,914	4,378	2,942	-	923,673
Financial assets at fair value through profit or loss										
Money Market Securities	-	-	8,090,552	-	-	-	-	-	-	8,090,552
Quoted Sukuk	10,236	-	-	-	-	-	-	-	-	10,236
Unquoted Corporate bonds and sukuk	377,915	405,911	-	172,290	-	30,070	-	10,006	-	996,192
Total financial assets at fair value through profit or loss	388,151	405,911	8,090,552	172,290	-	30,070	-	10,006	-	9,096,980
Financial investments at fair value through other comprehensive income										
Money Market Securities	-	1,193,273	9,559,394	-	-	-	-	-	-	10,752,667
Unquoted Corporate bonds and sukuk	3,293,919	4,654,307	-	285,781	-	38,983	-	542,886	-	8,815,876
Total financial investments at fair value through other comprehensive income	3,293,919	5,847,580	9,559,394	285,781	-	38,983	-	542,886	-	19,568,543
Financial investments at amortised cost										
Money Market Securities	-	-	3,806,020	-	-	-	-	-	-	3,806,020
Unquoted Corporate bonds and sukuk	4,436,575	425,090	-	55,189	20,000	10,529	-	501,355	-	5,448,738
Allowances for ECL	-	-	-	-	-	-	-	-	(40,041)	(40,041)
Total financial investments at amortised cost	4,436,575	425,090	3,806,020	55,189	20,000	10,529	-	501,355	(40,041)	9,214,717
Loans and advances										
Retail banking	3,823,350	38,238	-	601,773	654,591	148,440	41,847,276	3,666	-	47,117,334
Wholesale banking	8,770,408	884,684	-	1,973,472	231,481	23,893	81,358	858	-	11,966,154
Business banking	17,813,058	675,165	-	2,716,601	811,032	909,901	162,422	825	-	23,089,004
Others	79,603	79,863	-	124,751	53,595	3,910	1,225,004	-	-	1,566,726
Allowances for ECL	-	-	-	-	-	-	-	-	(1,303,560)	(1,303,560)
Total loans and advances	30,486,419	1,677,950	-	5,416,597	1,750,699	1,086,144	43,316,060	5,349	(1,303,560)	82,435,658
Statutory deposit with Bank Negara Malaysia	-	-	1,552,337	-	-	-	-	-	-	1,552,337
Other financial assets	140,971	1,018,975	287,333	17,655	8,203	374	19,774	34,627	(2,999)	1,524,913
Commitments	10,206,189	598,957	153,474	427,759	261,002	598,578	7,355,094	47,713	-	19,648,766
Contingent liabilities	5,612,882	486,733	-	475,486	182,212	67,869	1,164	-	-	6,826,346
Total commitments and contingent liabilities	15,819,071	1,085,690	153,474	903,245	443,214	666,447	7,356,258	47,713	-	26,475,112

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(b) Geographical Analysis

Group	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2024			
Cash and short-term funds	3,138,692	3,003,568	6,142,260
Less: Allowances for ECL	(593)	(700)	(1,293)
Total cash and short-term funds	3,138,099	3,002,868	6,140,967
Deposits and placements with banks and other financial institutions	1,784,033	-	1,784,033
Investment account placement	1,366,363	-	1,366,363
Less: Allowances for ECL	(1,830)	-	(1,830)
Total investment account placement	1,364,533	-	1,364,533
Derivative financial assets	651,615	358,488	1,010,103
Financial assets at fair value through profit or loss			
Money Market Securities	3,811,453	-	3,811,453
Quoted Sukuk	10,249	-	10,249
Unquoted Corporate bonds and sukuk	1,103,967	-	1,103,967
Total financial assets at fair value through profit or loss	4,925,669	-	4,925,669
Financial investments at fair value through other comprehensive income			
Money Market Securities	8,533,697	13,931	8,547,628
Unquoted Corporate bonds and sukuk	10,378,218	-	10,378,218
Total financial investments at fair value through other comprehensive income	18,911,915	13,931	18,925,846
Financial investments at amortised cost			
Money Market Securities	1,741,723	-	1,741,723
Unquoted Corporate bonds and sukuk	5,699,991	-	5,699,991
Less: Allowances for ECL	(50,421)	-	(50,421)
Total financial investments at amortised cost	7,391,293	-	7,391,293
Loans and advances			
Retail banking	48,665,067	-	48,665,067
Wholesale banking	10,951,802	125,103	11,076,905
Business banking	26,370,793	19,171	26,389,964
Others	1,482,250	5,592	1,487,842
Less: Allowances for ECL	(1,371,318)	(99)	(1,371,417)
Total loans and advances	86,098,594	149,767	86,248,361
Statutory deposit with Bank Negara Malaysia	1,678,024	-	1,678,024
Other financial assets	1,983,503	145,950	2,129,453
Less: Allowances for ECL	(21,497)	(347)	(21,844)
Total other financial assets	1,962,006	145,603	2,107,609
Commitments	20,271,901	32,622	20,304,523
Contingent liabilities	7,536,847	23,605	7,560,452
Total commitments and contingent liabilities	27,808,748	56,227	27,864,975

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(b) Geographical Analysis (Cont'd.)

Group	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2023			
Cash and short-term funds	3,549,913	3,326,537	6,876,450
Less: Allowances for ECL	(707)	(1,041)	(1,748)
Total cash and short-term funds	3,549,206	3,325,496	6,874,702
Deposits and placements with banks and other financial institutions	1,084,531	-	1,084,531
Less: Allowances for ECL	(66)	-	(66)
Total deposits and placements with banks and other financial institutions	1,084,465	-	1,084,465
Investment account placement	1,538,521	-	1,538,521
Less: Allowances for ECL	(1,269)	-	(1,269)
Total investment account placement	1,537,252	-	1,537,252
Derivative financial assets	564,221	359,452	923,673
Financial assets at fair value through profit or loss			
Money Market Securities	8,090,552	-	8,090,552
Quoted Sukuk	10,236	-	10,236
Unquoted Corporate bonds and sukuk	996,192	-	996,192
Total financial assets at fair value through profit or loss	9,096,980	-	9,096,980
Financial investments at fair value through other comprehensive income			
Money Market Securities	10,739,358	13,309	10,752,667
Unquoted Corporate bonds and sukuk	8,805,585	10,291	8,815,876
Total financial investments at fair value through other comprehensive income	19,544,943	23,600	19,568,543
Financial investments at amortised cost			
Money Market Securities	3,806,020	-	3,806,020
Unquoted Corporate bonds and sukuk	5,448,738	-	5,448,738
Less: Allowances for ECL	(40,041)	-	(40,041)
Total financial investments at amortised cost	9,214,717	-	9,214,717
Loans and advances			
Retail banking	47,504,646	-	47,504,646
Wholesale banking	11,336,037	273,907	11,609,944
Business banking	23,085,900	3,104	23,089,004
Others	1,560,724	6,002	1,566,726
Less: Allowances for ECL	(1,303,772)	(134)	(1,303,906)
Total loans and advances	82,183,535	282,879	82,466,414
Statutory deposit with Bank Negara Malaysia	1,552,337	-	1,552,337
Other financial assets	1,385,003	141,611	1,526,614
Less: Allowances for ECL	(2,814)	(483)	(3,297)
Total other financial assets	1,382,189	141,128	1,523,317
Commitments	19,490,748	112,998	19,603,746
Contingent liabilities	6,804,262	22,084	6,826,346
Total commitments and contingent liabilities	26,295,010	135,082	26,430,092

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(b) Geographical Analysis (Cont'd.)

Bank	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2024			
Cash and short-term funds	3,101,578	3,003,568	6,105,146
Less: Allowances for ECL	(593)	(700)	(1,293)
Total cash and short-term funds	3,100,985	3,002,868	6,103,853
Deposits and placements with banks and other financial institutions	1,784,033	-	1,784,033
Investment account placement	1,366,363	-	1,366,363
Less: Allowances for ECL	(1,830)	-	(1,830)
Total investment account placement	1,364,533	-	1,364,533
Derivative financial assets	651,615	358,488	1,010,103
Financial assets at fair value through profit or loss			
Money Market Securities	3,811,453	-	3,811,453
Quoted Sukuk	10,249	-	10,249
Unquoted Corporate bonds and sukuk	1,103,967	-	1,103,967
Total financial assets at fair value through profit or loss	4,925,669	-	4,925,669
Financial investments at fair value through other comprehensive income			
Money Market Securities	8,533,697	13,931	8,547,628
Unquoted Corporate bonds and sukuk	10,378,218	-	10,378,218
Total financial investments at fair value through other comprehensive income	18,911,915	13,931	18,925,846
Financial investments at amortised cost			
Money Market Securities	1,741,723	-	1,741,723
Unquoted Corporate bonds and sukuk	5,699,991	-	5,699,991
Less: Allowances for ECL	(50,421)	-	(50,421)
Total financial investments at amortised cost	7,391,293	-	7,391,293
Loans and advances			
Retail banking	48,312,331	-	48,312,331
Wholesale banking	11,293,938	125,103	11,419,041
Business banking	26,370,793	19,171	26,389,964
Others	1,482,250	5,592	1,487,842
Less: Allowances for ECL	(1,371,086)	(99)	(1,371,185)
Total loans and advances	86,088,226	149,767	86,237,993
Statutory deposit with Bank Negara Malaysia	1,678,024	-	1,678,024
Other financial assets	1,982,512	145,749	2,128,261
Less: Allowances for ECL	(21,162)	(347)	(21,509)
Total other financial assets	1,961,350	145,402	2,106,752
Commitments	20,331,501	32,622	20,364,123
Contingent liabilities	7,536,847	23,605	7,560,452
Total commitments and contingent liabilities	27,868,348	56,227	27,924,575

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(b) Geographical Analysis (Cont'd.)

Bank	**In Malaysia RM'000**	**Outside Malaysia RM'000**	**Total RM'000**
2023			
Cash and short-term funds	3,548,888	3,326,537	6,875,425
Less: Allowances for ECL	(707)	(1,041)	(1,748)
Total cash and short-term funds	3,548,181	3,325,496	6,873,677
Deposits and placements with banks and other financial institutions	1,084,531	-	1,084,531
Less: Allowances for ECL	(66)	-	(66)
Total deposits and placements with banks and other financial institutions	1,084,465	-	1,084,465
Investment account placement	1,538,521	-	1,538,521
Less: Allowances for ECL	(1,269)	-	(1,269)
Total investment account placement	1,537,252	-	1,537,252
Derivative financial assets	564,221	359,452	923,673
Financial assets at fair value through profit or loss			
Money Market Securities	8,090,552	-	8,090,552
Quoted Sukuk	10,236	-	10,236
Unquoted Corporate bonds and sukuk	996,192	-	996,192
Total financial assets at fair value through profit or loss	9,096,980	-	9,096,980
Financial investments at fair value through other comprehensive income			
Money Market Securities	10,739,358	13,309	10,752,667
Unquoted Corporate bonds and sukuk	8,805,585	10,291	8,815,876
Total financial investments at fair value through other comprehensive income	19,544,943	23,600	19,568,543
Financial investments at amortised cost			
Money Market Securities	3,806,020	-	3,806,020
Unquoted Corporate bonds and sukuk	5,448,738	-	5,448,738
Less: Allowances for ECL	(40,041)	-	(40,041)
Total financial investments at amortised cost	9,214,717	-	9,214,717
Loans and advances			
Retail banking	47,117,334	-	47,117,334
Wholesale banking	11,692,247	273,907	11,966,154
Business banking	23,085,900	3,104	23,089,004
Others	1,560,724	6,002	1,566,726
Less: Allowances for ECL	(1,303,426)	(134)	(1,303,560)
Total loans and advances	82,152,779	282,879	82,435,658
Statutory deposit with Bank Negara Malaysia	1,552,337	-	1,552,337
Other financial assets	1,386,301	141,611	1,527,912
Less: Allowances for ECL	(2,516)	(483)	(2,999)
Total other financial assets	1,383,785	141,128	1,524,913
Commitments	19,535,768	112,998	19,648,766
Contingent liabilities	6,804,262	22,084	6,826,346
Total commitments and contingent liabilities	26,340,030	135,082	26,475,112

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

COLLATERAL AND OTHER CREDIT ENHANCEMENT

Collateral Taken by the Group

Collateral is generally taken as security for credit exposures as a secondary source of repayment in case the counterparty cannot meet its contractual repayment obligations from cash flow generation. The collateral accepted for credit risk mitigation comprises financial collateral, real estate, other physical asset and guarantee.

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 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. Where a counterparty's corporate guarantor guarantees 100% of the credit facility, the credit risk rating of the counterparty is able to be substituted with that of the corporate guarantor subject to fulfilling certain stipulated conditions for Non-Retail portfolio. Otherwise, if the stipulated conditions are met but the guarantee is <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 loan, 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 GRAF and related policies governing Loan-to-Value ("LTV") metrics.

Credit Quality

The credit quality of financial assets are analysed based on broad categories. Internal credit rating grades assigned to corporate and retail lending business are currently aligned to eight rating categories (seven for non-defaulted and one for those that have defaulted) in accordance with the Capital Adequacy Framework (Basel II – Risk-Weighted Assets). The following categories based on the descriptions are appended below.

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

Credit Quality (Cont'd.)

Description of the Categories for Retail Banking

Risk Grade	Category	PD Ranges	Description
1 to 6	Exceptionally strong	0.0001% to 0.0737%	• Exceptionally good credit risk profile with exceptionally low PD of <0.1%. • Exceptionally strong capacity and willingness to meet its financial commitments as evidenced by prompt repayment track record. • Exhibits very high degree of resilience to adverse development in view of its very established employment profile and track record.
7 to 12	Very strong	0.0738% to 0.5942%	• Very good credit risk profile with very low PD of <0.6%. • Very strong capacity and willingness to meet its financial commitments as evidenced by generally prompt repayment track record. • Exhibits high degree of resilience to adverse development in view of its established employment profile and track record.
13 to 14	Strong	0.5943% to 1.0159%	• Good credit risk profile with low PD of <1.1%. • Exhibit willingness to meet its financial commitments as evidenced by good repayment track record. • Generally in a position to withstand adverse development in view of its favourable employment profile and track record.
15 to 16	Satisfactory	1.0160% to 2.2722%	• Satisfactory credit risk profile with acceptable PD of <2.3%. • Adequate willingness to meet its financial commitments as evidenced by satisfactory repayment track record. • Generally in a position to resolve any apparent shortcoming within an acceptable time frame in view of its satisfactory employment profile and track record.
17 to 18-	Moderate	2.2723% to 4.1028%	• Moderate credit risk profile with moderate PD of up to 4.1%. • Willingness to meet its financial commitments would be uncertain in the event of adverse changes in circumstances and economic conditions as evidenced by generally satisfactory repayment track record. • Generally in a position to resolve any apparent shortcoming within an acceptable time frame in view of its moderate employment profile and track record.
19+ to 20-	Marginal	4.1029% to 8.2931%	• Marginal credit risk profile with higher PD of up to 8.2931%. • Willingness to meet its financial commitments would be uncertain under normal circumstances and economic conditions as generally evidenced by fair repayment track record. • Moderate employment profile and track record.

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

Credit Quality (Cont'd.)

Description of the Categories for Retail Banking (Cont'd.)

Risk Grade	Category	PD Ranges	Description
21 to 24	Substandard	>= 8.2932%	• Substandard credit risk profile with poor PD of >= 8.2932%. • Exhibit less willingness to meet its financial commitments under normal circumstances and economic conditions as generally evidenced by poor repayment track record. • Unfavourable employment profile and track record.
99	Impaired	100%	• Impaired account. Classified as impaired as per the prevailing policy/guideline.

Description of the Categories for Non-Retail Banking

Credit quality classification	Description
Exceptionally strong	Highest rating, for exceptionally strong government institutions and a small number of very large multinational institutional clients. The key characteristics are: - Exceptionally solid and stable operating and financial performance; - Debt servicing capacity has been exceptionally strong over the long term; - All available information, of which there is a substantial quantity of extremely high quality, supports the view that these historical performance standards will be maintained for the foreseeable future; and - Highly unlikely to be adversely affected by foreseeable events.
Very strong	Strong government institutions or institutional clients, with identifiably higher, albeit modest, long term risk but still demonstrating solid and stable operating and financial performance. The key characteristics are: - Based on their activities, financial profile and past capacity to repay, counterparties with this rating carry a small, but clearly identifiable degree of risk; and - Debt servicing capacity in previous period has been substantial and solid, and is projected to continue over the medium term but may be more vulnerable to changes in business, economic and financial conditions than is the case for stronger ratings.
Strong	Counterparties demonstrate medium to long-term operational and financial stability and consistency but they are identifiably susceptible to cyclical trends or variability in earnings. The key characteristics are: - Counterparties present an identifiable degree of generally acceptable risk, possibly expressing itself as variability in financial and/or operating performance; and - Debt servicing capacity is quite good but adverse changes in circumstances and economic conditions are more likely to impair this capacity.
Satisfactory	Counterparties demonstrate adequate medium term operational and financial stability. Protection factors are considered sufficient for prudent investment. The key characteristics are: - Counterparties present a mostly satisfactory risk that requires mitigation, possibly expressing itself as variability in financial and/or operating performance; - Debt servicing capacity is satisfactory but adverse changes in circumstances and economic condition may impair this capacity; and - Counterparty's financial and/or non-financial profile provides a limited buffer to mitigate the negative impact of any future adverse changes in circumstances and economic conditions.

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

Credit Quality (Cont'd.)

Description of the Categories for Non-Retail Banking (Cont'd.)

Credit quality classification	Description
Moderate	Counterparties demonstrate limited operational and financial stability and may have a track record of fluctuating and poor earnings and profitability evidencing their past susceptibility to cyclical trends. The key characteristics are: - Capacity for timely fulfillment of financial obligations exists; - Adverse economic condition or changing business environment is more likely to lead to weakened capacity to meet timely repayment in the long run; and - Overall credit quality may be more volatile within this category.
Marginal	Counterparties demonstrate sustained operational and financial instability. The key characteristics are: - Erratic performance with one or more recent loss periods, increased borrowings or patchy account conduct; - Debt servicing capacity is marginal; - Often under strong, sustained competitive pressure; - Variability and uncertainty in profitability and liquidity is projected to continue over the short and possibly medium term; and - Significant changes and instability in senior management may be observed.
Substandard	Lowest rating for counterparties that continuously demonstrate operational and financial instability. The key characteristics are: - Mediocre financials with consistent loss periods, increased borrowings and/or poor account conduct; - Current and expected debt servicing capacity is inadequate; - Financial solvency is questionable and/or financial structure is weak; - Deteriorating state of business and require significant changes in strategies or practices to return business to sustainable state; and - Experiencing difficulties, which may result in default in the next one to two years.
Impaired	Impaired account. The key characteristic is that the counter party has been classified as “impaired” as per the prevailing policy/guidelines.

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

Impairment

The relevant governance for the respective Line of Businesses is established to align with the Malaysian Financial Reporting Standards ("MFRS") 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/profit repayments/payments are scheduled on intervals of 3 months or longer; or

c. Other impairment indicators stipulated in the relevant guidelines.

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

Group Provisioning Methodology

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

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

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

i. Stage 1 : For performing financial instruments which credit risk had not been significantly increased since initial recognition.

ii. Stage 2 : For underperforming financial instruments which credit risk had significantly increased since initial recognition.

iii. Stage 3 : For financial instruments which are credit-impaired.

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

Measurement of ECL

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

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

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 judgments 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 judgment about the borrower. Factors determining credit risk grades vary depending on nature of exposures and type of borrowers. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. There are 4 risk bands i.e. low risk, medium risk, high risk and very high risk whereby movements to a poorer band may result in SICR.

(ii) Qualitative

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

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

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

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

Measurement of ECL (Cont'd.)

Definition of default and credit-impaired assets

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

(i) Quantitative criteria

The borrower is considered in default if its contractual payments is more than 90 days past due.

(ii) Qualitative criteria

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

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

The quantitative criteria above have been applied to all financial instruments held by the Group while the qualitative criteria mainly applicable to non-retail portfolio and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Exposure At Default ("EAD"), Probability of Default ("PD") and Loss Given Default ("LGD") throughout the Group's expected loss calculations.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets the quantitative default criteria. For non-retail portfolio, reclassification to performing status can be considered subject to the following:

- Satisfactory conduct of the counterparty’s repayment/payment conduct for at least a 6-month observation period;
- Assessment of the viability of the borrower's business;
- All arrears are settled/regularised.

Measuring ECL – Explanation of Inputs, Assumptions and Estimation Techniques

The key inputs into the measurement of ECL are the following variables:
- PD;
- LGD; and
- EAD.

or
- Historical Loss Rates ("LR")

These parameters are generally derived from internally developed statistical models and other historical data and adjusted to reflect forward-looking information.

PD estimates are estimates 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.

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

Measurement of ECL (Cont'd.)

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

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

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

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

Forward-looking Information Incorporated in the ECL models

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

This analysis includes the identification and calibration of relationships between changes in default rates and to the MEVs. Examples of key macroeconomic indicators include Gross Domestic Product ("GDP") growth and Consumer Price Index ("CPI"), house price index, foreign exchange (USD/MYR) and Brent Crude oil price.

3 scenarios are projected for forward-looking namely base case, optimistic and pessimistic which requires management judgment 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 judgment and estimation. This includes establishing the forward-looking macroeconomic conditions into ECL as required under MFRS 9. The allowance for ECL is sensitive to the input used and economic assumption underlying the estimate.

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

Measurement of ECL (Cont'd.)

Key Variables/Assumptions for ECL Calculations (Cont'd.)

The following table shows the forecast of key economic variables used in forward-looking models for ECL calculations for financial year ended 31 March 2024 and 31 March 2023.

31 March 2024

Macroeconomy Variable List	Forward-Looking Scenario	Assigned Probabilities (%)	2024	2025	2026	2027	2028
Consumer Price Index (%)	Base	60%	2.95	2.53	2.25	2.45	2.33
	Optimistic	10%	3.25	2.78	2.48	2.70	2.56
	Pessimistic	30%	2.51	2.15	1.91	2.08	1.98
GDP Growth (%)	Base	60%	4.53	4.75	4.50	4.40	4.33
	Optimistic	10%	4.98	5.23	4.95	4.84	4.76
	Pessimistic	30%	3.85	4.04	3.83	3.74	3.68
House Price Index (%)	Base	60%	3.84	4.47	3.08	2.83	2.83
	Optimistic	10%	4.22	4.91	3.38	3.11	3.11
	Pessimistic	30%	3.26	3.80	2.62	2.40	2.40
USD/ MYR Exchange Rate	Base	60%	4.59	4.36	4.34	4.28	4.16
	Optimistic	10%	3.90	3.71	3.69	3.64	3.53
	Pessimistic	30%	5.05	4.80	4.77	4.71	4.57
Brent Crude Oil Price (USD/barrel)	Base	60%	90.08	93.41	90.00	87.50	85.55
	Optimistic	10%	99.08	102.75	99.00	96.25	94.05
	Pessimistic	30%	76.56	79.40	76.50	74.38	72.68

31 March 2023

Macroeconomy Variable List	Forward-Looking Scenario	Assigned Probabilities (%)	2023	2024	2025	2026	2027
Consumer Price Index (%)	Base	60%	3.00	2.70	2.55	2.50	2.53
	Optimistic	10%	3.30	2.97	2.81	2.75	2.78
	Pessimistic	30%	2.55	2.30	2.17	2.13	2.15
GDP Growth (%)	Base	60%	4.45	4.68	4.75	4.53	4.45
	Optimistic	10%	4.90	5.14	5.23	4.98	4.90
	Pessimistic	30%	3.78	3.97	4.04	3.85	3.78
House Price Index (%)	Base	60%	1.03	0.93	0.66	0.82	0.93
	Optimistic	10%	1.13	1.02	0.72	0.90	1.02
	Pessimistic	30%	0.87	0.79	0.56	0.69	0.79
USD/ MYR Exchange Rate	Base	60%	4.27	4.13	4.06	4.02	4.00
	Optimistic	10%	4.05	3.93	3.86	3.81	3.80
	Pessimistic	30%	4.48	4.34	4.26	4.22	4.20
Brent Crude Oil Price (USD/barrel)	Base	60%	84.00	76.00	68.00	61.50	60.00
	Optimistic	10%	92.40	83.60	74.80	67.65	66.00
	Pessimistic	30%	71.40	64.60	57.80	52.28	51.00

(Yearly values = average of forecasted quarterly values)

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

Measurement of ECL (Cont'd.)

Write-off Governance

(i) Stage 1 write-off

The Group may partially write-off financial assets where full recovery is not possible taking proceeds from value of securities or where customer has been allowed time to repay on negotiated settlement basis. The outstanding contractual amounts of such assets written off during the current financial year was RM604.7 million (31 March 2023: RM367.3 million). The Group still seeks legal recovery action, as such, credit exposures for these continue unabated.

(ii) Stage 2 write-off

The Group writes off financial assets in whole when it has exhausted all necessary recovery actions against credit exposures and there is minimal prospect of recovery and/or further recovery is not economical, then the credit exposures will be written off from both the general ledger and subsidiary ledger.

Modified financial assets

The Group sometimes modifies the terms of loans provided to borrowers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring governance and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These governance are kept under continuous review. Restructuring is most commonly applied to term loans.

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 or Stage 3 ("Lifetime ECL") to Stage 1 ("12-month ECL") or Stage 2 (“Lifetime ECL”) as per Group’s internal SICR criteria. This is only the case for assets which have performed in accordance with the new terms for at least six consecutive months or more.

The following table includes summary information for financial assets whose cash flows were modified during the financial year as part of the Group’s and the Bank's restructuring activities and their respective effect on the Group’s and of the Bank's financial performance:

	Group and Bank	
	2024	**2023**
	RM'000	**RM'000**
Loans and advances to customers		
Amortised cost before modification	679,608	598,295
Net modification gain/(loss) included under interest income	243	(2,344)

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(c) Credit Quality By Class of Financial Assets

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system.

Cash and short-term funds

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

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
2023			
Risk grade			
Exceptionally strong	3,272,187	-	3,272,187
Very strong	3,602,130	-	3,602,130
Strong	1,464		1,464
Substandard	-	669	669
Gross exposure	6,875,781	669	6,876,450
Less: Allowances for ECL	(1,448)	(300)	(1,748)
Net exposure	6,874,333	369	6,874,702

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

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

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system (Cont'd.).

Cash and short-term funds (Cont'd.)

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

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
2023			
Risk grade			
Exceptionally strong	3,272,187	-	3,272,187
Very strong	3,601,105	-	3,601,105
Strong	1,464		1,464
Substandard	-	669	669
Gross exposure	6,874,756	669	6,875,425
Less: Allowances for ECL	(1,448)	(300)	(1,748)
Net exposure	6,873,308	369	6,873,677

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

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

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system (Cont'd.).

Financial investments at amortised cost

Group and Bank	Stage 1 12-month ECL RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2024			
Risk grade			
Exceptionally strong	3,416,294	-	3,416,294
Very strong	1,966,076	-	1,966,076
Strong	1,435,629	-	1,435,629
Satisfactory	582,276	-	582,276
Impaired	-	41,439	41,439
Gross exposure	7,400,275	41,439	7,441,714
Less: Allowances for ECL	(13,787)	(36,634)	(50,421)
Net exposure	7,386,488	4,805	7,391,293

	Stage 1 12-month ECL RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2023			
Risk grade			
Exceptionally strong	5,489,755	-	5,489,755
Very strong	1,920,522	-	1,920,522
Strong	1,522,953	-	1,522,953
Satisfactory	280,089	-	280,089
Impaired	-	41,439	41,439
Gross exposure	9,213,319	41,439	9,254,758
Less: Allowances for ECL	(4,758)	(35,283)	(40,041)
Net exposure	9,208,561	6,156	9,214,717

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

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

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system (Cont'd.).

Financial investments at fair value through other comprehensive income

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

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Total RM'000
2023			
Risk grade			
Exceptionally strong	11,026,910	-	11,026,910
Very strong	5,821,719	-	5,821,719
Strong	1,752,661	-	1,752,661
Satisfactory	567,480	399,773	967,253
Gross exposure	19,168,770	399,773	19,568,543
Less: Allowances for ECL	(8,562)	(1,979)	(10,541)
Net exposure	19,160,208	397,794	19,558,002

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

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

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system (Cont'd.).

Loans and advances

Group	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2024				
Risk grade				
Exceptionally strong	44,369	-	-	44,369
Very strong	42,166,691	126,004	-	42,292,695
Strong	15,166,941	210,871	-	15,377,812
Satisfactory	12,402,140	819,635	-	13,221,775
Moderate	5,097,231	968,219	-	6,065,450
Marginal	2,772,916	766,701	-	3,539,617
Substandard	1,631,202	3,891,318	-	5,522,520
Impaired	-	-	1,555,540	1,555,540
Gross exposure	79,281,490	6,782,748	1,555,540	87,619,778
Less: Allowances for ECL	(224,192)	(691,248)	(455,977)	(1,371,417)
Net exposure	79,057,298	6,091,500	1,099,563	86,248,361

	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
2023				
Risk grade				
Exceptionally strong	10,173	38	-	10,211
Very strong	39,846,960	215,152	-	40,062,112
Strong	15,327,961	158,285	-	15,486,246
Satisfactory	11,215,412	1,051,183	-	12,266,595
Moderate	4,096,524	1,105,500	-	5,202,024
Marginal	2,436,936	1,786,458	-	4,223,394
Substandard	646,290	4,492,516	-	5,138,806
Unrated	5,640	-	-	5,640
Impaired	-	-	1,375,292	1,375,292
Gross exposure	73,585,896	8,809,132	1,375,292	83,770,320
Less: Allowances for ECL	(160,839)	(719,574)	(423,493)	(1,303,906)
Net exposure	73,425,057	8,089,558	951,799	82,466,414

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

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

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system (Cont'd.).

Loans and advances (Cont'd.)

Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2024				
Risk grade				
Exceptionally strong	44,369	-	-	44,369
Very strong	42,111,769	126,004	-	42,237,773
Strong	14,874,708	210,871	-	15,085,579
Satisfactory	12,744,270	819,635	-	13,563,905
Moderate	5,095,422	968,219	-	6,063,641
Marginal	2,772,916	766,701	-	3,539,617
Substandard	1,630,820	3,889,782	-	5,520,602
Impaired	-	-	1,553,692	1,553,692
Gross exposure	79,274,274	6,781,212	1,553,692	87,609,178
Less: Allowances for ECL	(224,423)	(691,198)	(455,564)	(1,371,185)
Net exposure	79,049,851	6,090,014	1,098,128	86,237,993

	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
2023				
Risk grade				
Exceptionally strong	10,173	38	-	10,211
Very strong	39,846,960	215,152	-	40,062,112
Strong	15,327,961	158,285	-	15,486,246
Satisfactory	11,188,848	1,050,862	-	12,239,710
Moderate	4,096,524	1,105,500	-	5,202,024
Marginal	2,436,380	1,785,061	-	4,221,441
Substandard	646,290	4,491,304	-	5,137,594
Unrated	5,640	-	-	5,640
Impaired	-	-	1,374,240	1,374,240
Gross exposure	73,558,776	8,806,202	1,374,240	83,739,218
Less: Allowances for ECL	(160,826)	(719,487)	(423,247)	(1,303,560)
Net exposure	73,397,950	8,086,715	950,993	82,435,658

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

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

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system (Cont'd.).

Other financial assets (using simplified approach)

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

	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
2023			
Risk grade			
Exceptionally strong	328,472	-	328,472
Very strong	572,318	-	572,318
Strong	454,017	-	454,017
Satisfactory	36,091	-	36,091
Moderate	2,656	-	2,656
Marginal	24,448	-	24,448
Substandard	50	-	50
Unrated	105,265	-	105,265
Impaired	-	3,297	3,297
Gross exposure	1,523,317	3,297	1,526,614
Less: Allowances for ECL	-	(3,297)	(3,297)
Net exposure	1,523,317	-	1,523,317

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

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

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system (Cont'd.).

Other financial assets (using simplified approach) (Cont'd.)

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

	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
2023			
Risk grade			
Exceptionally strong	328,472	-	328,472
Very strong	573,616	-	573,616
Strong	454,017	-	454,017
Satisfactory	36,389	-	36,389
Moderate	2,656	-	2,656
Marginal	24,448	-	24,448
Substandard	50	-	50
Unrated	105,265	-	105,265
Impaired	-	2,999	2,999
Gross exposure	1,524,913	2,999	1,527,912
Less: Allowances for ECL	-	(2,999)	(2,999)
Net exposure	1,524,913	-	1,524,913

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

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

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system (Cont'd.).

Loans commitments and financial guarantee contracts

Group	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2024				
Risk grade				
Exceptionally strong	49,102	-	-	49,102
Very strong	13,545,176	42,101	-	13,587,277
Strong	5,826,719	303,427	-	6,130,146
Satisfactory	4,803,034	184,250	-	4,987,284
Moderate	1,068,413	284,569	-	1,352,982
Marginal	170,739	132,765	-	303,504
Substandard	244,614	260,638	-	505,252
Impaired	-	-	257,910	257,910
Gross exposure	25,707,797	1,207,750	257,910	27,173,457
Less: Allowances for ECL	(32,717)	(12,499)	(108,814)	(154,030)
Net exposure	25,675,080	1,195,251	149,096	27,019,427

	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
2023				
Risk grade				
Exceptionally strong	156,259	-	-	156,259
Very strong	12,563,958	87,627	-	12,651,585
Strong	5,665,062	68,152	-	5,733,214
Satisfactory	4,625,790	173,368	-	4,799,158
Moderate	1,172,930	299,331	-	1,472,261
Marginal	194,965	163,477	-	358,442
Substandard	132,278	402,991	-	535,269
Impaired	-	-	489,681	489,681
Gross exposure	24,511,242	1,194,946	489,681	26,195,869
Less: Allowances for ECL	(31,057)	(26,808)	(135,220)	(193,085)
Net exposure	24,480,185	1,168,138	354,461	26,002,784

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

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

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system (Cont'd.).

Loans commitments and financial guarantee contracts (Cont'd.)

Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
2024				
Risk grade				
Exceptionally strong	49,102	-	-	49,102
Very strong	13,604,776	42,101	-	13,646,877
Strong	5,826,719	303,427	-	6,130,146
Satisfactory	4,803,034	184,250	-	4,987,284
Moderate	1,068,413	284,569	-	1,352,982
Marginal	170,739	132,765	-	303,504
Substandard	244,614	260,638	-	505,252
Impaired	-	-	257,910	257,910
Gross exposure	25,767,397	1,207,750	257,910	27,233,057
Less: Allowances for ECL	(32,765)	(12,499)	(108,814)	(154,078)
Net exposure	25,734,632	1,195,251	149,096	27,078,979

	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
2023				
Risk grade				
Exceptionally strong	156,259	-	-	156,259
Very strong	12,608,928	87,627	-	12,696,555
Strong	5,665,062	68,152	-	5,733,214
Satisfactory	4,625,790	173,368	-	4,799,158
Moderate	1,172,930	299,331	-	1,472,261
Marginal	194,965	163,477	-	358,442
Substandard	132,278	402,991	-	535,269
Unrated	-	-	-	-
Impaired	-	-	489,681	489,681
Gross exposure	24,556,212	1,194,946	489,681	26,240,839
Less: Allowances for ECL	(31,077)	(26,808)	(135,220)	(193,105)
Net exposure	24,525,135	1,168,138	354,461	26,047,734

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

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

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Group's internal credit rating system (Cont'd.).

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

	Deposits and placements with banks and other financial institutions RM'000	Investment account placement RM'000	Statutory deposit with Bank Negara Malaysia RM'000
Stage 1			
Group and Bank			
2023			
Exceptionally strong	-	-	1,552,337
Very strong	1,084,531	1,360,659	-
Satisfactory	-	177,862	-
Gross exposure	1,084,531	1,538,521	1,552,337
Less: Allowances for ECL	(66)	(1,269)	-
Net exposure	1,084,465	1,537,252	1,552,337

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

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

Maximum exposure to credit risk - financial instruments not subject to impairment.

The table below shows the credit quality of financial assets measured at FVTPL:

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

	Financial assets at fair value through profit or loss RM'000	Derivative financial assets RM'000
2023		
Exceptionally strong	8,300,960	311,584
Very strong	478,892	500,456
Strong	315,858	98,522
Satisfactory	1,270	8,260
Moderate	-	1,756
Marginal	-	99
Sub-standard	-	2,996
Carrying amount	9,096,980	923,673

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(d) Estimated value of collateral for financial assets

The Group's policies regarding obtaining collateral have not significantly changed during the financial year and there has been no significant change in the overall quality of the collateral held by the Group since the previous financial year.

The following table summarises the financial effects of collateral received from loans and advances:

	Gross exposure to credit risk		Financial effect of collateral		Unsecured portion of credit exposure	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Group						
Gross loans and advances						
Retail banking	48,665,067	47,504,646	45,439,836	44,483,944	3,225,231	3,020,702
Wholesale banking	11,076,905	11,609,944	3,477,652	2,368,460	7,599,253	9,241,484
Business banking	26,389,964	23,089,004	15,959,129	13,475,988	10,430,835	9,613,016
Others	1,487,842	1,566,726	1,476,191	1,566,726	11,651	-
Total	87,619,778	83,770,320	66,352,808	61,895,118	21,266,970	21,875,202
Bank						
Gross loans and advances						
Retail banking	48,312,331	47,117,334	45,089,841	44,104,306	3,222,490	3,013,028
Wholesale banking	11,419,041	11,966,154	3,477,652	2,368,460	7,941,389	9,597,694
Business banking	26,389,964	23,089,004	15,959,129	13,475,988	10,430,835	9,613,016
Others	1,487,842	1,566,726	1,476,191	1,566,726	11,651	-
Total	87,609,178	83,739,218	66,002,813	61,515,480	21,606,365	22,223,738

(e) Collateral Repossessed

	Group		Bank	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Properties:				
Residential, net of impairment	150	150	-	-
Non-residential, net of impairment	-	2,337	-	2,337
	150	2,487	-	2,337

The above assets are accounted for as foreclosed properties under other assets (Note 19). There were no new assets obtained for the financial year 2024 and 2023.

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(f) Collateral held for credit-impaired financial assets

The Group closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Group will take possession of collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

	Gross exposure RM'000	Impairment allowance RM'000	Carrying amount RM'000	Fair value of collateral RM'000
Group				
2024				
Credit-impaired financial assets				
Loans and advances				
Retail banking	1,035,670	198,512	837,158	920,420
Wholesale banking	129,612	83,775	45,837	73,536
Business banking	371,942	162,039	209,903	266,409
Others	18,316	11,651	6,665	14,430
Total credit-impaired financial assets	1,555,540	455,977	1,099,563	1,274,795
2023				
Credit-impaired financial assets				
Loans and advances				
Retail banking	990,835	219,362	771,473	857,470
Wholesale banking	66,557	29,488	37,069	41,865
Business banking	317,900	174,643	143,257	187,026
Total credit-impaired financial assets	1,375,292	423,493	951,799	1,086,361
Bank				
2024				
Credit-impaired financial assets				
Loans and advances				
Retail banking	1,033,822	198,099	835,723	918,571
Wholesale banking	129,612	83,775	45,837	73,536
Business banking	371,942	162,039	209,903	266,409
Others	18,316	11,651	6,665	14,430
Total credit-impaired financial assets	1,553,692	455,564	1,098,128	1,272,946
2023				
Credit-impaired financial assets				
Loans and advances				
Retail banking	989,783	219,116	770,667	856,418
Wholesale banking	66,557	29,488	37,069	41,865
Business banking	317,900	174,643	143,257	187,026
Total credit-impaired financial assets	1,374,240	423,247	950,993	1,085,309

49. RISK MANAGEMENT (CONT'D.)

49.2 CREDIT RISK MANAGEMENT (CONT'D.)

(g) Overlays and adjustments for expected credit losses continues, stemming from residuals from COVID-19 environment to emerging risks on the Consumer and Retail SME portfolios as well as vulnerable borrowers

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

1. Higher cost of living after subsidy rationalisation.
2. Vulnerable borrowers.
3. Expiry of payment holiday and repayment assistance ("PH/RA") plans offered to borrower during the COVID-19 pandemic.

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

The overlays adjustments continues into financial year 2025 ("FY2025") amounting RM490.1 million as at 31 March 2024.

49.3 LIQUIDITY RISK AND FUNDING MANAGEMENT

Liquidity risk is the risk that the organisation either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can only access these financial resources at an unreasonable cost. Liquidity risk exposure arises mainly from the deposit taking and borrowing activities and market disruption, and to a lesser extent, significant drawdown of funds from previously contracted financing and purchase commitments. Funding management is the ongoing ability to raise sufficient funds to finance actual and proposed business activities at a reasonable cost. Improper funding management may lead to liquidity problem. On the other hand, insufficient liquidity risk management may also give rise to funding risk.

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

Identification	• Identify liquidity risk within existing and new business activities • Review market-related information such as market trend and economic data • Keep abreast with regulatory requirements
Assessment/ Measurement	• LCR • NSFR • Depositor Concentration Ratios • Other Detailed Controls
Control/ Mitigation	• LCR Limits/Triggers • NSFR Triggers • Depositor Concentration Ratios • Other Detailed Triggers/Targets
Monitoring/ Review	• Monitor controls • Periodical review and reporting

The liquidity risk management of the Bank is aligned to the LCR policy document and NSFR policy document issued by BNM. The primary objective of the Bank's liquidity risk management is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments when they fall due. This objective is partly managed through maintenance of a portfolio of high-quality liquid assets to protect against adverse funding conditions and support day-to-day operations. The secondary objective is to ensure an optimal funding structure and to balance the key liquidity risk management objectives, which includes diversification of funding sources, customer base and maturity period.

49. RISK MANAGEMENT (CONT'D.)

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

The Board provides the liquidity risk management oversight including setting and reviewing the liquidity risk appetite and approves the Bank's liquidity management strategy 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, Depositor Concentration Ratio and other Liquidity Ratios. Investment Banking and Markets Risk ("IBMR") is responsible for developing and monitoring the controls and limits while the Group Treasury and Markets ("GTM") and CBSM are responsible to ensure the controls and limits are within the thresholds.

Stress testing is undertaken to assess and plan for the impact for various scenarios which may put the Bank's liquidity at risk. The Bank further stresses the importance of the stable funding sources to finance placement and loans and advances to customers. They are monitored using the loans to available funds ratio, which compares loans and advances to customers as a percentage of the Bank's total available funds.

49. RISK MANAGEMENT (CONT'D.)

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

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

Group	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	>6 months to 12 months RM'000	>1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
2024								
Assets								
Cash and short-term funds	6,140,967	-	-	-	-	-	-	6,140,967
Deposits and placements with banks and other financial institutions	-	900,000	-	800,000	42,975	41,058	-	1,784,033
Investment account placement	-	-	-	-	1,209,346	155,187	-	1,364,533
Derivative financial assets	58,199	201,854	194,379	59,204	353,838	142,629	-	1,010,103
Financial assets at fair value through profit or loss	2,683,044	1,541,778	455,771	962,638	448,484	631,180	43,787	6,766,682
Financial investments at fair value through other comprehensive income	686,983	583,913	1,227,406	1,746,208	10,931,422	3,749,914	774,283	19,700,129
Financial investments at amortised cost	-	82,620	174,428	249,898	2,912,978	3,971,369	-	7,391,293
Loans and advances	842,250	225,612	252,905	19,643,421	12,548,531	52,735,642	-	86,248,361
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	1,678,024	-	1,678,024
Deferred tax assets	-	-	-	-	-	-	192,707	192,707
Investment in associate	-	-	-	-	-	-	17,745	17,745
Other assets	1,747,128	167,484	144,811	716,023	117,347	142,753	-	3,035,546
Right of use assets	-	-	-	-	-	-	196,449	196,449
Property and equipment	-	-	-	-	-	-	129,645	129,645
Intangible assets	-	-	-	-	-	-	123,528	123,528
Total Assets	12,158,571	3,703,261	2,449,700	24,177,392	28,564,921	63,247,756	1,478,144	135,779,745
Liabilities								
Deposits from customers	52,479,928	15,747,599	14,061,261	10,374,828	1,673,794	-	-	94,337,410
Deposits and placements of banks and other financial institutions	2,025,750	3,081,784	430,671	577,619	913,673	590,633	-	7,620,130
Securities sold under resale agreements	1,776,886	4,551,449	-	-	-	-	-	6,328,335
Recourse obligation on loans sold to Cagamas Berhad	-	800,002	-	750,001	3,715,014	-		5,265,017
Derivative financial liabilities	115,735	132,418	121,776	171,798	378,049	102,002	-	1,021,778
Term funding	101,104	32,447	30,611	146,244	1,304,585	-	-	1,614,991
Debt capital	-	-	-	-	-	3,095,000	-	3,095,000
Other liabilities	2,643,797	469,752	197,309	407,004	273,619	128,649	-	4,120,130
Total Liabilities	59,143,200	24,815,451	14,841,628	12,427,494	8,258,734	3,916,284	-	123,402,791
Net Gap	(46,984,629)	(21,112,190)	(12,391,928)	11,749,898	20,306,187	59,331,472	1,478,144	12,376,954

49. RISK MANAGEMENT (CONT'D.)

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

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

Group	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	>6 months to 12 months RM'000	>1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
2023								
Assets								
Cash and short-term funds	6,874,702	-	-	-	-	-	-	6,874,702
Deposits and placements with banks and other financial institutions	-	176,605	-	800,000	-	107,860	-	1,084,465
Investment account placement	-	-	-	-	499,750	1,037,502	-	1,537,252
Derivative financial assets	95,034	139,918	56,442	50,273	428,188	153,818	-	923,673
Financial assets at fair value through profit or loss	207,874	4,108,663	2,977,248	2,092,528	719,729	66,086	19,673	10,191,801
Financial investments at fair value through other comprehensive income	924,489	3,025,881	2,038,993	973,075	9,359,619	3,246,486	737,809	20,306,352
Financial investments at amortised cost	129,562	4,995	9,993	54,928	2,638,990	6,376,249	-	9,214,717
Loans and advances	1,235,917	258,181	214,149	19,082,638	14,622,214	47,053,315	-	82,466,414
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	1,552,337	-	1,552,337
Deferred tax assets	-	-	-	-	-	-	164,294	164,294
Investment in associate	-	-	-	-	-	-	18,395	18,395
Other assets	1,180,230	159,619	77,451	248,640	121,896	160,513	33	1,948,382
Right of use assets	-	-	-	-	-	-	224,596	224,596
Property and equipment	-	-	-	-	-	-	146,013	146,013
Intangible assets	-	-	-	-	-	-	202,069	202,069
Total Assets	10,647,808	7,873,862	5,374,276	23,302,082	28,390,386	59,754,166	1,512,882	136,855,462
Liabilities								
Deposits from customers	51,619,778	12,945,376	8,777,381	9,984,599	2,051,411	-	-	85,378,545
Deposits and placements of banks and other financial institutions	2,546,873	3,193,880	1,154,726	461,700	738,540	565,975	-	8,661,694
Securities sold under resale agreements	6,357,289	5,163,831	3,043,381	1,902,173	-	-	-	16,466,674
Recourse obligation on loans sold to Cagamas Berhad	-	2,200,012	2,200,016	2,200,008	-	-	-	6,600,036
Derivative financial liabilities	124,738	126,163	100,050	64,949	422,488	128,039	-	966,427
Term funding	110,375	158,510	24,050	721,092	323,400	-	-	1,337,427
Debt capital	-	-	-	-	-	3,095,000	-	3,095,000
Other liabilities	1,553,499	821,111	106,040	243,121	326,000	100,192	-	3,149,963
Total Liabilities	62,312,552	24,608,883	15,405,644	15,577,642	3,861,839	3,889,206	-	125,655,766
Net Gap	(51,664,744)	(16,735,021)	(10,031,368)	7,724,440	24,528,547	55,864,960	1,512,882	11,199,696

49. RISK MANAGEMENT (CONT'D.)

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

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

Bank	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	>6 months to 12 months RM'000	>1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
2024								
Assets								
Cash and short-term funds	6,103,853	-	-	-	-	-	-	6,103,853
Deposits and placements with banks and other financial institutions	-	900,000	-	800,000	42,975	41,058	-	1,784,033
Investment account placement	-	-	-	-	1,209,346	155,187	-	1,364,533
Derivative financial assets	58,199	201,854	194,379	59,204	353,838	142,629	-	1,010,103
Financial assets at fair value through profit or loss	2,683,011	1,541,778	455,771	962,638	448,484	631,180	43,787	6,766,649
Financial investments at fair value through other comprehensive income	686,983	583,913	1,227,406	1,746,208	10,931,422	3,749,914	774,283	19,700,129
Financial investments at amortised cost	-	82,620	174,428	249,898	2,912,978	3,971,369	-	7,391,293
Loans and advances	1,177,585	225,265	252,572	19,642,989	12,536,900	52,402,682	-	86,237,993
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	1,678,024	-	1,678,024
Deferred tax assets	-	-	-	-	-	-	192,707	192,707
Investment in subsidiaries	-	-	-	-	-	-	13,477	13,477
Investment in associates	-	-	-	-	-	-	19,598	19,598
Other assets	1,745,708	167,484	144,811	715,749	117,347	142,753	-	3,033,852
Right of use assets	-	-	-	-	-	-	197,072	197,072
Property and equipment	-	-	-	-	-	-	123,472	123,472
Intangible assets	-	-	-	-	-	-	123,528	123,528
Total Assets	12,455,339	3,702,914	2,449,367	24,176,686	28,553,290	62,914,796	1,487,924	135,740,316
Liabilities								
Deposits from customers	52,479,928	15,747,599	14,065,292	10,374,828	1,673,697	97	-	94,341,441
Deposits and placements of banks and other financial institutions	2,051,812	3,081,784	430,671	577,619	913,673	590,633	-	7,646,192
Securities sold under resale agreements	1,776,886	4,551,449	-	-	-	-	-	6,328,335
Recourse obligation on loans sold to Cagamas Berhad	-	800,002	-	750,001	3,715,014	-	-	5,265,017
Derivative financial liabilities	115,735	132,418	121,776	171,798	378,049	102,002	-	1,021,778
Term funding	101,104	32,447	30,611	146,244	1,304,585	-	-	1,614,991
Debt capital	-	-	-	-	-	3,095,000	-	3,095,000
Other liabilities	2,644,024	469,710	197,309	406,984	272,851	111,000	-	4,101,878
Total Liabilities	59,169,489	24,815,409	14,845,659	12,427,474	8,257,869	3,898,732	-	123,414,632
Net Gap	(46,714,150)	(21,112,495)	(12,396,292)	11,749,212	20,295,421	59,016,064	1,487,924	12,325,684

49. RISK MANAGEMENT (CONT'D.)

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

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

Bank	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	>6 months to 12 months RM'000	>1 year to 5 years RM'000	Over 5 years RM'000	No maturity specified RM'000	Total RM'000
2023								
Assets								
Cash and short-term funds	6,873,677	-	-	-	-	-	-	6,873,677
Deposits and placements with banks and other financial institutions	-	176,605	-	800,000	-	107,860	-	1,084,465
Investment account placement	-	-	-	-	499,750	1,037,502	-	1,537,252
Derivative financial assets	95,034	139,918	56,442	50,273	428,188	153,818	-	923,673
Financial assets at fair value through profit or loss	207,837	4,108,663	2,977,248	2,092,528	719,729	66,086	19,673	10,191,764
Financial investments at fair value through other comprehensive income	924,489	3,025,881	2,038,993	973,075	9,359,619	3,246,486	737,809	20,306,352
Financial investments at amortised cost	129,562	4,995	9,993	54,928	2,638,990	6,376,249	-	9,214,717
Loans and advances	1,205,161	258,181	214,149	19,082,638	14,622,214	47,053,315	-	82,435,658
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	1,552,337		1,552,337
Deferred tax assets	-	-	-	-	-	-	164,294	164,294
Investment in subsidiaries	-	-	-	-	-	-	22,487	22,487
Investment in associates	-	-	-	-	-	-	19,617	19,617
Other assets	1,179,073	159,619	77,451	248,367	121,896	160,513	33	1,946,952
Right of use assets	-	-	-	-	-	-	225,632	225,632
Property and equipment	-	-	-	-	-	-	139,705	139,705
Intangible assets	-	-	-	-	-	-	202,069	202,069
Total Assets	10,614,833	7,873,862	5,374,276	23,301,809	28,390,386	59,754,166	1,531,319	136,840,651
Liabilities								
Deposits from customers	51,632,431	12,945,376	8,777,381	9,984,599	2,051,411	-	-	85,391,198
Deposits and placements of banks and other financial institutions	2,586,936	3,193,880	1,154,726	461,700	738,540	565,975	-	8,701,757
Securities sold under resale agreements	6,357,289	5,163,831	3,043,381	1,902,173	-	-	-	16,466,674
Recourse obligation on loans sold to Cagamas Berhad	-	2,200,012	2,200,016	2,200,008	-	-	-	6,600,036
Derivative financial liabilities	124,738	126,163	100,050	64,949	422,488	128,039	-	966,427
Term funding	110,375	158,510	24,050	721,092	323,400	-	-	1,337,427
Debt capital	-	-	-	-	-	3,095,000	-	3,095,000
Other liabilities	1,535,606	821,111	106,040	242,841	326,000	100,192	-	3,131,790
Total Liabilities	62,347,375	24,608,883	15,405,644	15,577,362	3,861,839	3,889,206	-	125,690,309
Net Gap	(51,732,542)	(16,735,021)	(10,031,368)	7,724,447	24,528,547	55,864,960	1,531,319	11,150,342

49. RISK MANAGEMENT (CONT'D.)

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

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

Group	Up to 1 month	>1 month to 3 months	>3 months to 6 months	>6 months to 12 months	>1 year to 5 years	Over 5 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024							
Liabilities							
Deposits from customers	53,211,094	15,967,016	14,257,237	10,519,385	1,697,016	98	95,651,846
Deposits and placements of banks and other financial institutions	2,053,977	3,124,724	436,672	585,667	926,404	598,862	7,726,306
Securities sold under resale agreements	1,790,820	4,586,025	-	-	-	-	6,376,845
Recourse obligation on loans sold to Cagamas Berhad	-	839,037	66,199	839,687	3,867,866	-	5,612,789
Derivative financial liabilities	121,038	173,864	215,922	171,870	491,137	2,704	1,176,535
Term funding	101,749	43,393	30,650	162,510	1,348,170	-	1,686,472
Debt capital	11,753	23,896	36,041	71,300	572,352	3,607,187	4,322,529
Other liabilities*	2,000,748	67,988	117,681	198,340	208,722	63,140	2,656,619
Total Undiscounted Liabilities	59,291,179	24,825,943	15,160,402	12,548,759	9,111,667	4,271,991	125,209,941
Commitments							
Irrevocable commitments to extend credit	501,050	1,160,677	1,713,525	2,683,093	247,747	9,289,304	15,595,396
Unutilised credit card lines	4,017,609	-	-	-	-	-	4,017,609
Forward asset purchase	691,518	-	-	-	-	-	691,518
Contingent Liabilities							
Direct credit substitutes	21,390	109,041	133,560	942,578	191,942	200	1,398,711
Certain transaction-related contingent items	283,509	497,187	579,273	1,103,074	2,773,426	211,175	5,447,644
Short-term self liquidating trade-related contingencies	416,274	285,372	11,173	1,278	-	-	714,097
Total commitments and contingent liabilities	5,931,350	2,052,277	2,437,531	4,730,023	3,213,115	9,500,679	27,864,975

* The balances had included the undiscounted contractual payments for lease liabilities and excluded the non-financial liabilities. Detail maturity analysis for lease commitment is disclosed in Note 28(a).

49. RISK MANAGEMENT (CONT'D.)

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

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

Group	Up to 1 month	>1 month to 3 months	>3 months to 6 months	>6 months to 12 months	>1 year to 5 years	Over 5 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023							
Liabilities							
Deposits from customers	52,192,889	13,085,895	8,872,657	10,092,979	2,073,679	-	86,318,099
Deposits and placements of banks and other financial institutions	2,615,016	3,228,549	1,167,260	466,712	746,557	572,119	8,796,213
Securities sold under resale agreements	6,424,137	5,229,613	3,093,006	1,966,316	-	-	16,713,072
Recourse obligation on loans sold to Cagamas Berhad	-	2,236,892	2,263,521	2,233,900	-	-	6,734,313
Derivative financial liabilities	133,526	131,474	112,292	189,501	399,305	32,937	999,035
Term funding	110,639	170,857	26,680	731,144	323,400	-	1,362,720
Debt capital	12,090	24,582	37,075	73,746	588,763	3,533,737	4,269,993
Other liabilities*	1,481,179	809,394	89,435	209,363	200,736	50,422	2,840,529
Total Undiscounted Liabilities	62,969,476	24,917,256	15,661,926	15,963,661	4,332,440	4,189,215	128,033,974
Commitments							
Irrevocable commitments to extend credit	383,229	1,329,038	1,775,565	2,072,503	93,316	9,799,042	15,452,693
Unutilised credit card lines	3,976,830	-	-	-	-	-	3,976,830
Forward asset purchase	174,223	-	-	-	-	-	174,223
Contingent Liabilities							
Direct credit substitutes	196,035	326,638	338,653	822,749	830,422	69,097	2,583,594
Certain transaction-related contingent items	128,408	338,481	394,003	680,255	1,678,520	300,163	3,519,830
Short-term self liquidating trade-related contingencies	268,677	382,911	6,170	5,164	-	-	662,922
Obligations under underwriting agreements	60,000	-	-	-	-	-	60,000
Total commitments and contingent liabilities	5,187,402	2,377,068	2,514,391	3,580,671	2,602,258	10,168,302	26,430,092

* The balances had included the undiscounted contractual payments for lease liabilities and excluded the non-financial liabilities. Detail maturity analysis for lease commitment is disclosed in Note 28(a).

49. RISK MANAGEMENT (CONT'D.)

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

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

Bank	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	>6 months to 12 months RM'000	>1 year to 5 years RM'000	Over 5 years RM'000	Total RM'000
2024							
Liabilities							
Deposits from customers	53,211,150	15,967,016	14,261,269	10,519,385	1,697,016	98	95,655,934
Deposits and placements of banks and other financial institutions	2,080,401	3,124,724	436,672	585,667	926,404	598,862	7,752,730
Securities sold under resale agreements	1,790,820	4,586,025	-	-	-	-	6,376,845
Recourse obligation on loans sold to Cagamas Berhad	-	839,037	66,199	839,687	3,867,866	-	5,612,789
Derivative financial liabilities	121,038	173,864	215,922	171,870	491,137	2,704	1,176,535
Term funding	101,749	43,393	30,650	162,510	1,348,170	-	1,686,472
Debt capital	11,753	23,896	36,041	71,300	572,352	3,607,187	4,322,529
Other liabilities*	2,002,813	68,068	117,802	198,584	209,622	64,864	2,661,753
Total Undiscounted Liabilities	59,319,724	24,826,023	15,164,555	12,549,003	9,112,567	4,273,715	125,245,587
Commitments							
Irrevocable commitments to extend credit	501,050	1,160,677	1,713,525	2,742,693	247,747	9,289,304	15,654,996
Unutilised credit card lines	4,017,609	-	-	-	-	-	4,017,609
Forward asset purchase	691,518	-	-	-	-	-	691,518
Contingent Liabilities							
Direct credit substitutes	21,390	109,041	133,560	942,578	191,942	200	1,398,711
Certain transaction-related contingent items	283,509	497,187	579,273	1,103,074	2,773,426	211,175	5,447,644
Short-term self liquidating trade-related contingencies	416,274	285,372	11,173	1,278	-	-	714,097
Total commitments and contingent liabilities	5,931,350	2,052,277	2,437,531	4,789,623	3,213,115	9,500,679	27,924,575

* The balances had included the undiscounted contractual payments for lease liabilities and excluded the non-financial liabilities. Detail maturity analysis for lease commitment is disclosed in Note 28(a).

49. RISK MANAGEMENT (CONT'D.)

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

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

Bank	Up to 1 month RM'000	>1 month to 3 months RM'000	>3 months to 6 months RM'000	>6 months to 12 months RM'000	>1 year to 5 years RM'000	Over 5 years RM'000	Total RM'000
2023							
Liabilities							
Deposits from customers	52,192,889	13,085,895	8,872,657	10,092,979	2,073,679	-	86,318,099
Deposits and placements of banks and other financial institutions	2,615,017	3,228,549	1,167,260	466,712	746,557	572,119	8,796,214
Securities sold under resale agreements	6,424,137	5,229,613	3,093,006	1,966,316	-	-	16,713,072
Recourse obligation on loans sold to Cagamas Berhad	-	2,236,892	2,263,521	2,233,900	-	-	6,734,313
Derivative financial liabilities	133,526	131,474	112,292	189,501	399,305	32,937	999,035
Term funding	110,639	170,857	26,680	731,144	323,400	-	1,362,720
Debt capital	12,090	24,582	37,075	73,746	588,763	3,533,737	4,269,993
Other liabilities*	1,481,179	809,394	89,435	209,363	200,736	50,422	2,840,529
Total Undiscounted Liabilities	62,969,477	24,917,256	15,661,926	15,963,661	4,332,440	4,189,215	128,033,975
Commitments							
Irrevocable commitments to extend credit	383,229	1,329,038	1,775,565	2,117,473	93,316	9,799,042	15,497,663
Unutilised credit card lines	3,976,830	-	-	-	-	-	3,976,830
Forward asset purchase	174,223	-	-	-	-	-	174,223
Others	-	-	-	-	-	50	50
Contingent Liabilities							
Direct credit substitutes	196,035	326,638	338,653	822,749	830,422	69,097	2,583,594
Certain transaction-related contingent items	128,408	338,481	394,003	680,255	1,678,520	300,163	3,519,830
Short-term self liquidating trade-related contingencies	268,677	382,911	6,170	5,164	-	-	662,922
Obligations under underwriting agreements	60,000	-	-	-	-	-	60,000
Total commitments and contingent liabilities	5,187,402	2,377,068	2,514,391	3,625,641	2,602,258	10,168,352	26,475,112

* The balances had included the undiscounted contractual payments for lease liabilities and excluded the non-financial liabilities. Detail maturity analysis for lease commitment is disclosed in Note 28(a).

49. RISK MANAGEMENT (CONT'D.)

49.4 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

The TMR management process is depicted in the table below:

Identification	• Identify market risks within existing and new products • Review market-related information such as market trends and economic data
Assessment/ Measurement	• Value-at-Risk ("VaR") • Loss Limits • Historical Stress Loss ("HSL") • Present Value of One Basis Point ("PV01") • Sensitivity to Change • Other Detailed Controls
Control/ Mitigation	• VaR Limits • Loss Limits/Triggers (Annual/Monthly/Daily) • HSL Limits • PV01 Limits • Greek Limits (Delta/Gamma/Delta-Gamma/Vega/Theta) • Concentration Limits • Position Size Limits • Maximum Tenor Limits • Maximum Holding Period • Minimum Holding Period • Approved Portfolio Products • Approved Countries/Currencies • Other Detailed Limits/Triggers
Monitoring/ Review	• Monitor controls • Periodical review and reporting

TMR arises from transactions in which the Bank acts as principal with clients or the market. It involves taking positions in fixed income, equity, foreign exchange, commodities and/or derivatives. The objectives of TMR management are to understand, accurately measure and work with the business to ensure exposures are managed within the Board and GMRC approved limit structures and risk appetite. This is done via robust TMR measurement, limit setting, limit monitoring, and collaboration and agreement with Business Units.

VaR, Loss Limits, HSL and other detailed management controls are used to measure, monitor and control TMR exposures. VaR is a quantitative measure which the Bank applies recent historical market conditions to estimate potential losses in market value, at a certain confidence level and over a specified time horizon (i.e. holding period). Loss limits serve to alert management on the need to take relevant and appropriate action once they are triggered.

To complement VaR, HSL is used as a measure of the potential impact on portfolio values due to more extreme, albeit plausible, market movements. In addition, HSL is used to gauge and ensure that the Bank is able to absorb extreme, unanticipated market movements.

Apart from VaR, Loss Limits and HSL, additional sensitivity controls (e.g., Greek Limits/PV01 Limits) and indicators are used to monitor changes in portfolio values due to changes in risk factors under different market conditions.

49. RISK MANAGEMENT (CONT'D.)

49.4 MARKET RISK MANAGEMENT (CONT'D.)

Traded Market Risk (Cont'd.)

IBMR independently monitors risk exposures against limits on a daily basis. Portfolio market risk positions are independently monitored and reported by IBMR to GMRC, RMC and the Board. Furthermore, policies and procedures are in place to ensure prompt action is taken in the event of non-adherence to limits. Business Units exposed to traded market risk are required to maintain risk exposures within approved risk limits and to provide an explanation for any non-adherence event to Senior Management.

The Bank adopts the Standardised Approach for market risk capital charge computation. The capital charge serves as a buffer against losses from potential adverse market movements.

IBMR is committed to on-going improvements in market risk processes and systems, and allocates substantial resources to this endeavour.

Non-Traded Market Risk

NTMR refers to interest rate risk in the banking book including those arising from balance sheet management activities as covered under the risk appetite.

Interest Rate Risk in Banking Book ("IRRBB")

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

Identification	• Identify IRRBB within existing and new products • Review market-related information such as market trend and economic data
Assessment/ Measurement	• Present Value of One Basis Point ("PV01") • Earnings-at-Risk ("EaR") • ICAAP IRRBB Economic Value of Equity ("EVE") • ICAAP IRRBB EaR
Control/ Mitigation	• PV01 Triggers • EaR Triggers • ICAAP IRRBB EVE / Total Capital Trigger • ICAAP IRRBB EaR / Total Net Interest Income ("NII") Trigger
Monitoring/ Review	• Monitor limits • Periodical review and reporting

IRRBB arises from changes in market interest rates that impact core net interest income, future cash flows or fair values of financial instruments. This risk arises from mismatches between repricing dates of assets and liabilities, changes in yield curves, volatilities in interest margins and implied volatilities on interest rate options. The provision of retail and wholesale banking products and services (primarily lending and deposit taking activities) creates interest rate-sensitive positions in the Bank's statement of financial position.

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

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

49. RISK MANAGEMENT (CONT'D.)

49.4 MARKET RISK MANAGEMENT (CONT'D.)

Non-Traded Market Risk (Cont'd.)

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

The Bank measures the IRRBB exposures using PV01. PV01 is a quantitative measure to assess the impact of an absolute change in economic value due to 1 basis point movement in market interest rates.

The Bank complements PV01 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 loan and deposit product balances due to behavioural characteristics under different interest rate environments. Material assumptions include the repricing characteristics and the stability of indeterminate or non-maturity deposits and loans.

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

The Bank's strategy seeks to optimise exposure to IRRBB within Management-approved limits. This is achieved through the ability to reposition the interest rate exposure of the statement of financial position using various product and funding strategies, supported by interest rate hedging activities using interest rate swaps and other derivatives. These approaches are governed by the Bank's policies in the areas of product and liquidity management as well as the Trading Book and Banking book Policy, hedging policies and Non Traded Interest Rate Risk Framework.

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

IBOR reform

Following the decision by global regulators to phase out IBORs to replace them with alternative reference rates (or risk-free rates ("RFRs")) as part of the IBOR reform, AMMB Group has established an IBOR Project Steering Committee ("PSC") to oversee and manage the transition for any of its legacy contracts that could be affected by the transition. The project is chaired by the Group CFO with the Deputy Managing Director of Wholesale Banking/Head of Group Treasury Markets as his alternate Chairperson. The programme is executed by a project working group comprising 6 workstreams to comprehensively manage and coordinate the specific LIBOR transition activities, including the identification of all products and contracts in scope of benchmark reform, communication with customers for repricing and/or re-papering of LIBOR referenced contracts and incorporation of the relevant fallback provisions in the contracts, upgrading of internal systems to support the alternative RFR product suite, as well as ensuring operational readiness. These workstreams actively participate in industry-wide working group discussions, attend seminars/conferences/briefings to ensure the project working group members are kept informed of the latest developments and adopt consistent approaches of other market participants. Group Management Committee, Risk Management Committee and the Board of Directors of the Bank is regularly briefed on the progress of this programme.

The Bank has successfully completed the enhancement of the impacted systems and have in place detailed plans, processes and procedures to support the LIBOR transition to RFRs which ceased by 31 December 2021. During the financial year, the Bank has completed the process for remaining IBORs transitions to RFRs.

49. RISK MANAGEMENT (CONT'D.)

49.4 MARKET RISK MANAGEMENT (CONT'D.)

Non-Traded Market Risk (Cont'd.)

IBOR reform (Cont'd.)

IBORs benchmark reform exposes the Bank to various risks, which the project continues to manage and monitor closely. The project team has assessed these risks include but are not limited to the following:

- Conduct risk arising from discussions with clients and market counterparties on the amendments of legal documentations to have adequate fallback provisions into existing legacy contracts necessary to effect IBOR reform;
- Financial risk to the Group and its clients that markets are disrupted due to IBOR reform giving rise to financial losses;
- Pricing risk from the potential lack of market information if liquidity in IBORs reduces and RFRs are illiquid and unobservable;
- Operational risk arising from changes to the Group's IT systems and processes, also the risk of payments being disrupted if a LIBOR ceases to be available;
- Accounting risk if the Group's hedging relationships fail and form unrepresentative income statement volatility as financial instruments transition to RFRs; and
- Awareness and preparation risk by staff due to complex compounding approaches and payment conventions.

The following table is exposure that have yet to transition from IBOR to RFRs as at 31 March 2024 and 31 March 2023:

Group and Bank	Non-derivatives financial assets carrying amount RM'000	Derivatives nominal amount RM'000
2024		
USD London Interbank Offered Rate ("LIBOR")	-	-
2023		
USD London Interbank Offered Rate ("LIBOR")	2,334,626	7,399,008

Market Risk Sensitivity

(i) Interest Rate Risk

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

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

Traded Market Risk:

	2024		2023	
Group and Bank	Interest rate + 100 bps RM'000	Interest rate - 100 bps RM'000	Interest rate + 100 bps RM'000	Interest rate - 100 bps RM'000
Impact on profit before taxation	(41,779)	44,698	(7,986)	7,682

49. RISK MANAGEMENT (CONT'D.)

49.4 MARKET RISK MANAGEMENT (CONT'D.)

Market Risk Sensitivity (Cont'd.)

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

Non-Traded Market Risk:

	2024		2023	
	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	591,242	(591,242)	556,096	(556,096)
Impact on equity	(510,557)	543,686	(448,572)	477,495

(ii) Foreign Exchange Risk

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

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

Impact on profit before taxation:

	2024		2023	
Currency	**Foreign exchange rate + 10 % RM'000**	**Foreign exchange rate - 10 % RM'000**	**Foreign exchange rate + 10 % RM'000**	**Foreign exchange rate - 10 % RM'000**
Group and Bank				
USD	(40,643)	40,643	(13,980)	13,980
SGD	4,435	(4,435)	9,406	(9,406)
EUR	(877)	877	2,558	(2,558)
AUD	2,823	(2,823)	4,086	(4,086)
GBP	(186)	186	2,385	(2,385)
JPY	5,088	(5,088)	1,550	(1,550)
HKD	94,582	(94,582)	36,036	(36,036)
Others	(2,940)	2,940	2,669	(2,669)

49. RISK MANAGEMENT (CONT'D.)

49.4 MARKET RISK MANAGEMENT (CONT'D.)

Market Risk Sensitivity (Cont'd.)

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

Impact on equity:

	2024		2023	
Currency	**Foreign exchange rate + 10 % RM'000**	**Foreign exchange rate - 10 % RM'000**	**Foreign exchange rate + 10 % RM'000**	**Foreign exchange rate - 10 % RM'000**
Group				
USD	29,913	(29,913)	28,142	(28,142)
EUR	85	(85)	75	(75)
Bank				
USD	29,892	(29,892)	28,119	(28,119)
EUR	85	(85)	75	(75)

(iii) Equity Price Risk

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

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

	2024		2023	
	Prices + 10 % RM'000	**Prices - 10 % RM'000**	**Prices + 10 % RM'000**	**Prices - 10 % RM'000**
Group				
Impact on profit before taxation	180,995	(180,995)	108,902	(108,902)
Impact on equity	5,872	(5,872)	6,055	(6,055)
Bank				
Impact on profit before taxation	180,994	(180,994)	108,901	(108,901)
Impact on equity	5,872	(5,872)	6,055	(6,055)

49. RISK MANAGEMENT (CONT'D.)

49.5 OPERATIONAL RISK MANAGEMENT

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

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

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

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

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

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

- the first line of defence ("FLOD") is responsible for the management of operational risk in order for accountability and ownership to be as close as possible to the activity that creates the risk and ensuring that effective action is taken to manage them. Enhanced FLOD provides a business specific focus on the implementation of operational risk management activities and supports more effective day-to-day monitoring of operational risks.

- in the second line of defence, Group Operational Risk is responsible for exercising governance over operational risk through the management of the operational risk framework, policy development and communication, quality assurance of internal controls, operational risk measurement, validation of FLOD effectiveness, ORM training and reporting of operational risk triggers, breaches, KCT exceptions, operational loss incidents to GMRC, RMC and the Board.

- Group Internal Audit acts as the third and final line of defence by providing independent assurance on the internal control effectiveness through periodic audit programme.

49. RISK MANAGEMENT (CONT'D.)

49.5 OPERATIONAL RISK MANAGEMENT (CONT'D.)

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

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

- The RCSA is a process of continual identification, assessment of risks and controls effectiveness. By using structured questionnaires to assess and measure key risk and its corresponding controls effectiveness, RCSA provides risk profiling across the Group;

- The KRI module provides early warning of increasing risk and/or control failures by monitoring the changes of the underlying risk measurements;

- The KCT is the test steps or assessment performed periodically to assure that the key controls are in place and they are operating as intended or effective in managing the operational risks;

- Root cause analysis is conducted by the Operational Risk Relationship Managers within Group Operational Risk to prevent recurrence of operational risk incidents; and

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

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

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

The Business Continuity Management ("BCM") process is depicted in the table below:

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

49. RISK MANAGEMENT (CONT'D.)

49.5 OPERATIONAL RISK MANAGEMENT (CONT'D.)

(i) Business Continuity Management (“BCM”) (Cont'd.)

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

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

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

The Group integrates climate-related operational risk into its BCM programs and activities to ensure the continuity of its Critical Business Functions ("CBF") and Third Party Service Providers ("TPSP") in the face of climate related events. The integration shall include an objective risk assessment from credible external parties that evaluates the climate-related risk vulnerabilities of CBFs and TPSPs.

49.6 CYBER RISK MANAGEMENT

Cyber security risks remain a persistent threat for the financial industry. The constantly evolving nature and sophistication of cyber threats and attack vectors calls for increased vigilance, readiness and ability to respond to upcoming threats. The resilience of the Group’s IT infrastructure and cyber security capabilities are of paramount importance, especially with regards to safeguarding customers’ information.

The Group continues to enhance its cyber security controls framework, execute internal assessment reviews, build defense mechanisms and uplift governance processes alongside the Group’s cyber risk management strategy - to identify threats in a timely manner, and build or enhance the right defenses to mitigate risks. Creating a security mindset for employees and customers via its Cyber Security awareness programs also remains a priority.

The Group Technology Risk team acts as a second line of defence to monitor alongside the first line of defence to ensure that risks and controls are properly managed. The Group's technology risk management capabilities include oversight over infrastructure security risk, data leakage risk, application security risk and third party security risk.

Group Technology Risk works closely with all Business and Functional Lines to identify 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.

49.7 LEGAL RISK

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

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

49. RISK MANAGEMENT (CONT'D.)

49.8 REGULATORY COMPLIANCE RISK

AMMB Group has in place a compliance framework to promote the safety and soundness of AMMB Group by minimising financial, reputational and operational risks arising from regulatory non-compliance.

The Group Chief Compliance Officer has a direct reporting line to the RMC of the Board. A governance structure is in place for escalation and reporting of compliance risks and issues through monthly compliance reports to the RMC and Board.

The compliance framework details the roles and responsibilities for compliance with regulatory guidelines and requirements. The responsible parties are accountable for the management of compliance risks associated with AMMB Group's processes and increasing awareness on the role of every employee to be compliant and safeguard AMMB Group's reputation against any potential legal violations and/or regulatory non-compliance. The Senior Management team is responsible for communicating the compliance framework to all employees, as well as implementing appropriate actions for non-compliances.

The Group Management Governance and Compliance Committee ("GMGCC"), comprising of the Senior Management Team from Group Compliance, Group Risk, Group Internal Audit and the Business, meets regularly to discuss and deliberate on regulatory updates, compliance issues and areas of non-compliance. The Group believes in and embraces a strong compliance culture to reflect a corporate culture of high ethical standards and integrity where the Board and Senior Management lead by example. The Group has zero tolerance for any form of bribery or corruption.

AMMB Group continues to exercise and enhance its due diligence governance process and remains vigilant towards emerging risks as well as sensitive towards heightened regulatory surveillance and enforcement.

50. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm’s length transaction, other than a forced or liquidated sale. The information presented herein represents best estimates of fair values of financial instruments at the reporting date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a number of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the assumptions could materially affect these estimates and the corresponding fair values.

In addition, fair value information for non-financial assets and liabilities such as investment in subsidiaries and other investments and deferred taxation are excluded, as they do not fall within the scope of MFRS 7 *Financial Instruments: Disclosures* , which requires the fair value information to be disclosed.

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

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

	Group		Bank	
	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
2024				
Financial Assets				
Financial investments at amortised cost	7,391,293	7,473,722	7,391,293	7,473,722
Loans and advances*	9,191,083	8,275,989	8,839,042	7,981,579
	16,582,376	15,749,711	16,230,335	15,455,301
Financial Liabilities				
Recourse obligation of loans sold to Cagamas Berhad	5,265,017	5,305,102	5,265,017	5,305,102
Term funding	1,614,991	1,493,643	1,614,991	1,493,643
Debt capital	3,095,000	3,157,611	3,095,000	3,157,611
	9,975,008	9,956,356	9,975,008	9,956,356
2023				
Financial Assets				
Financial investments at amortised cost	9,214,717	9,234,957	9,214,717	9,234,957
Loans and advances*	9,464,332	8,493,266	9,077,626	8,182,106
	18,679,049	17,728,223	18,292,343	17,417,063
Financial Liabilities				
Recourse obligation of loans sold to Cagamas Berhad	6,600,036	6,658,915	6,600,036	6,658,915
Term funding	1,337,427	1,292,071	1,337,427	1,292,071
Debt capital	3,095,000	3,098,698	3,095,000	3,098,698
	11,032,463	11,049,684	11,032,463	11,049,684

Note:

* Excluding loans and advances of RM77,057,277,718 and RM77,398,951,468 for the Group and the Bank respectively (2023: RM73,002,081,445 and RM73,358,032,423 for the Group and the Bank respectively) where the carrying amounts are reasonable approximation of their fair values.

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

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

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

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

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

	Group				Bank			
	Valuation techniques				Valuation techniques			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023								
Financial assets measured at fair value								
Derivative financial assets	60	923,613	-	923,673	60	923,613	-	923,673
Financial assets at fair value through profit or loss								
- Money market securities	-	8,090,552	-	8,090,552	-	8,090,552	-	8,090,552
- Quoted shares	1,074,251	-	-	1,074,251	1,074,247	-	-	1,074,247
- Unquoted shares	-	-	33	33	-	-	-	-
- Quoted unit trust	20,537	-	-	20,537	20,537	-	-	20,537
- Quoted sukuk	-	10,236	-	10,236	-	10,236	-	10,236
- Unquoted corporate bond and sukuk	-	996,192	-	996,192	-	996,192	-	996,192
Financial investments at fair value through other comprehensive income								
- Money market securities	-	10,752,667	-	10,752,667	-	10,752,667	-	10,752,667
- Unquoted shares	-	-	677,258	677,258	-	-	677,258	677,258
- Quoted unit trust	60,551	-	-	60,551	60,551	-	-	60,551
- Unquoted corporate bond and sukuk	-	8,815,876	-	8,815,876	-	8,815,876	-	8,815,876
Financial assets for which fair values are disclosed								
Financial investments at amortised cost	-	9,234,867	90	9,234,957	-	9,234,867	90	9,234,957
Loans and advances	-	8,493,266	-	8,493,266	-	8,182,106	-	8,182,106
	1,155,399	47,317,269	677,381	49,150,049	1,155,395	47,006,109	677,348	48,838,852
Financial liabilities measured at fair value								
Derivative financial liabilities	10,286	956,141	-	966,427	10,286	956,141	-	966,427
Financial liabilities for which fair values are disclosed								
Recourse obligation of loans sold to Cagamas Berhad	-	6,658,915	-	6,658,915	-	6,658,915	-	6,658,915
Term funding	-	1,292,071	-	1,292,071	-	1,292,071	-	1,292,071
Debt capital	-	3,098,698	-	3,098,698	-	3,098,698	-	3,098,698
	10,286	12,005,825	-	12,016,111	10,286	12,005,825	-	12,016,111

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

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

Determination of fair value

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements.

(a) Financial assets and financial liabilities for which fair value approximates carrying amount

For financial assets and financial liabilities that have a short-term maturity (less than six months), the carrying amounts approximate to their fair value.

(b) Financial investments at amortised cost

Fair value of securities is based on observable mid prices at reporting date and where observable mid prices are not available, the fair value is based on net tangible asset backing.

(c) Loans and advances

The fair value of variable rate loans and advances are estimated to approximate their carrying amounts. For fixed rate loans and advances, the fair values are estimated based on expected future cash flows of contractual instalments discounted at prevailing indicative rates adjusted for credit risk. For impaired loans and advances, the fair values are deemed to approximate the carrying amount (net of impairment losses).

(d) Term funding and debt capital

The Group uses observable mid prices to estimate the fair values and where mid prices are not available, the fair values are estimated by discounting the expected future cash flows using market indicative rates of instruments with similar risk profile.

(e) Recourse obligation on loans sold to Cagamas Berhad

The fair value for recourse obligation on loans sold to Cagamas Berhad is determined based on the discounted cash flows of future instalment payments at prevailing rates quoted by Cagamas Berhad as at reporting date.

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

Determination of fair value hierarchy

The Group and the Bank use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
Level 3 : techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

Non-market observable inputs means that fair values are determined, in whole or in part, using a valuation technique (model) based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unquoted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. However, the fair value measurement objective remains the same, that is, an exit price from the perspective of the Group or of the Bank. Therefore, unobservable inputs reflect the Group’s and the Bank's own assumptions about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available, which might include the Group’s and the Bank's own data, as well as financial information of the counterparties. Unquoted equity instruments at FVOCI was revalued using adjusted net assets method.

About 2.6% of the Group's and of the Bank's (2023: 2.2% of the Group's and of the Bank's) total financial assets recorded at fair value, are based on estimates and recorded as Level 3 investments. Where estimates are used, these are based on a combination of independent third-party evidence and internally developed models, calibrated to market observable data where possible. While such valuations are sensitive to estimates, it is believed that changing one or more of the assumptions to reasonably possible alternative assumptions would not change the fair value significantly.

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

Movements In Level 3 financial instruments measured at fair value

The level of the fair value hierarchy of financial instruments is determined at the beginning of each reporting year. The following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value:

Group	Equity instruments at FVTPL RM'000	Equity instruments at FVOCI RM'000	Total RM'000
2024			
Balance at beginning of the financial year	33	677,258	677,291
(Loss)/gain on revaluation of financial assets taken up in statements of profit or loss and other comprehensive income	(4)	38,308	38,304
Balance at end of the financial year	29	715,566	715,595
2023			
Balance at beginning of the financial year	31	669,168	669,199
Gain on revaluation of financial assets taken up in statements of profit or loss and other comprehensive income	2	8,090	8,092
Balance at end of the financial year	33	677,258	677,291

Bank	Equity instruments at FVOCI RM'000
2024	
Balance at beginning of the financial year	677,258
Gain on revaluation of financial assets taken up in statement of other comprehensive income	38,308
Balance at end of the financial year	715,566
2023	
Balance at beginning of the financial year	669,168
Gain on revaluation of financial assets taken up in statement of other comprehensive income	8,090
Balance at end of the financial year	677,258

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

Total gains or losses included in the statements of profit or loss and statements of other comprehensive income for financial instruments held at the end of the reporting year:

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Financial assets at FVTPL				
Total (loss)/gain included in:				
- profit or loss	(4)	2	-	-
Financial investments at FVOCI				
Total gains included in:				
- other comprehensive income	38,308	8,090	38,308	8,090

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

Impact on fair value of Level 3 financial instruments measured at fair value arising from changes to key assumptions

Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

51. OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Gross amount of recognised financial assets/liabilities RM'000	Gross amounts offset in the statements of financial position RM'000	Amounts presented in the statements of financial position RM'000	Amount not offset in the statements of financial position: Financial instruments RM'000	Amount not offset in the statements of financial position: Cash collateral received/pledged RM'000	Net amount RM'000
Group and Bank						
2024						
Derivative financial assets (Note 10)	1,010,103	-	1,010,103	(216,389)	(321,081) (Note 28)	472,633
Derivative financial liabilities (Note 10)	1,021,778	-	1,021,778	(216,389)	(790,167) (Note 19)	15,222
2023						
Derivative financial assets (Note 10)	923,673	-	923,673	(316,276)	(510,844) (Note 28)	96,553
Derivative financial liabilities (Note 10)	966,427	-	966,427	(316,276)	(467,034) (Note 19)	183,117

52. BUSINESS SEGMENT ANALYSIS

Segment information is presented in respect of the Group’s business segments. The business segment information is prepared based on internal management reports, which are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to a segment and to assess its performance.

The Group comprises the following main business segments:

(a) Retail Banking

Retail Banking continues to focus on building mass affluent, affluent and small business customers. Retail Banking offers products and financial solutions which includes auto finance, mortgages, personal loans, credit cards, small business loans, priority banking services, wealth management, remittance services and deposits.

(b) Business Banking

Business Banking (“BB”) focuses on the small and medium sized enterprises segment, which comprises Enterprise Banking and Commercial Banking. Solutions offered to Enterprise Banking customers encompass Capital Expenditure (“CAPEX”) financing, Working Capital financing and Cash Management, and while Commercial Banking offers the same suite of products, it also provides more sophisticated structures such as Contract Financing, Development Loans, and Project Financing.

(c) Wholesale Banking

Wholesale Banking comprises Corporate Banking and Group Treasury and Markets.

(i) Corporate Banking offers a full range of products and services of corporate lending, trade finance, offshore banking, and cash management solutions to wholesale banking clients.

(ii) Group Treasury and Markets includes proprietary trading as well as providing full range of products and services relating to treasury activities, including foreign exchange, derivatives, fixed income and structured warrants. It also offers customised investment solutions for customers.

(d) Investment Banking

Under the Investment Banking division of AmBank, the core products are capital markets group, private banking and equity markets.

Capital Markets focuses on providing integrated financing solutions to our corporate and institutional clients. It offers a full suite of customised debt and capital financing solutions which include corporate bond issuances, loan syndication, structured finance, capital and project advisory services, primary syndication and underwriting services and equity derivatives business. Private Banking primarily services high net worth clients and offers financing and deposit products. Equity markets offers margin financing to retail and corporate clients.

52. BUSINESS SEGMENT ANALYSIS (CONT'D.)

(e) Group Funding and Others

Group Funding and Others 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.

Measurement of segment performance

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

Notes:

(i) The Chief Operating Decision Maker relies primarily on the net finance income information to assess the performance of, and to make decisions about resources to be allocated to these operating segments.

(ii) The financial information by geographical segment is not presented as the Group's activities are principally conducted in Malaysia.

(iii) The comparatives have been restated to conform with current business realignment.

52. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Retail banking RM'000	Business banking RM'000	Wholesale Banking Corporate banking RM'000	Wholesale Banking Group treasury and markets RM'000	Investment banking RM'000	Group funding and others RM'000	Total RM'000
2024							
External net income	1,408,654	1,080,177	613,809	256,864	46,049	(392,381)	3,013,172
Intersegments net income	(81,035)	(205,834)	(250,768)	224,739	(11,448)	324,346	-
Net income	1,327,619	874,343	363,041	481,603	34,601	(68,035)	3,013,172
Net interest income	1,099,914	638,367	304,515	236,859	29,859	(84,228)	2,225,286
Other operating income	228,355	235,976	58,526	244,744	4,742	16,193	788,536
Share in results of associate	(650)	-	-	-	-	-	(650)
Total income	1,327,619	874,343	363,041	481,603	34,601	(68,035)	3,013,172
Other operating expenses	(784,160)	(266,826)	(143,282)	(99,489)	(8,246)	(22,593)	(1,324,596)
of which:							
Depreciation of Property and Equipment	(16,475)	(1,612)	(1,190)	(481)	(12)	(27,472)	(47,242)
Depreciation of Right-of-Use Assets	-	-	-	-	-	(68,344)	(68,344)
Amortisation of Intangible Assets	(13,580)	(769)	(4,868)	(5,446)	-	(25,189)	(49,852)
Profit/(loss) before impairment losses and provision	543,459	607,517	219,759	382,114	26,355	(90,628)	1,688,576
(Allowance for)/writeback of impairment on loans and advances	(458,335)	(92,425)	76,616	-	(11,639)	-	(485,783)
Writeback of commitments and contingencies	8,698	9,174	21,307	-	-	433	39,612
Writeback of/(allowances for) impairment on financial investments, other financial assets and non-financial assets	490	(9,425)	(9,626)	(20,769)	-	(110,811)	(150,141)
Other recoveries, net	26	2,329	-	-	-	24	2,379
Provision for restructuring expenses	-	-	-	-	-	(80,000)	(80,000)
Profit/(loss) before taxation	94,338	517,170	308,056	361,345	14,716	(280,982)	1,014,643
Taxation	(22,797)	(123,341)	(72,079)	(84,214)	(2,260)	551,754	247,063
Profit for the financial year	71,541	393,829	235,977	277,131	12,456	270,772	1,261,706
Other information							
Total segment assets	49,332,502	26,625,596	13,994,707	40,598,248	1,699,975	3,528,717	135,779,745
Total segment liabilities	48,720,965	23,754,145	8,584,814	29,025,587	1,565,594	11,751,686	123,402,791
Cost to income ratio	59.1%	30.5%	39.5%	20.7%	23.8%	>100.0%	44.0%
Gross loans and advances	48,665,067	26,389,964	11,076,905	-	1,487,842	-	87,619,778
Net loans and advances	47,755,459	26,112,723	10,903,985	-	1,476,194	-	86,248,361
Impaired loans and advances	1,035,670	371,942	129,612	-	18,316	-	1,555,540
Deposits	47,920,220	23,440,940	8,365,777	19,769,882	1,546,445	914,276	101,957,540
Additions to:							
Property and equipment	14,762	901	693	121	1,256	10,047	27,780
Intangible assets	42,281	1,120	2,415	3,598	255	34,172	83,841

52. BUSINESS SEGMENT ANALYSIS (CONT'D.)

Group	Retail banking RM'000	Business banking RM'000	Wholesale Banking: Corporate banking RM'000	Wholesale Banking: Group treasury and markets RM'000	Investment banking RM'000	Group funding and others RM'000	Total RM'000
2023 (Restated)							
External net income	1,516,223	908,518	484,495	411,492	45,958	(343,347)	3,023,339
Intersegments net income	(201,183)	(110,743)	(138,214)	68,466	(16,863)	398,537	-
Net income	1,315,040	797,775	346,281	479,958	29,095	55,190	3,023,339
Net interest income	1,109,287	586,612	276,060	320,490	25,542	28,630	2,346,621
Other operating income	202,955	211,163	70,221	159,469	3,553	26,559	673,920
Share in results of associate	2,798	-	-	-	-	-	2,798
Total income	1,315,040	797,775	346,281	479,959	29,095	55,189	3,023,339
Other operating expenses	(736,925)	(248,529)	(133,669)	(91,866)	(7,081)	(210,365)	(1,428,435)
of which:							
Depreciation of Property and Equipment	(15,808)	(1,760)	(1,150)	(457)	(10)	(30,698)	(49,883)
Depreciation of Right-of-Use Assets	-	-	-	-	-	(73,770)	(73,770)
Amortisation of Intangible Assets	(21,166)	(1,097)	(6,673)	(6,064)	-	(42,237)	(77,237)
Profit/(loss) before impairment losses and provision	578,115	549,246	212,612	388,093	22,014	(155,176)	1,594,904
(Allowance for)/writeback of impairment on loans and advances	(164,100)	(50,828)	(44,230)	-	167	-	(258,991)
(Provision for)/writeback of commitments and contingencies	(10,822)	(5,600)	102,187	-	-	(485)	85,280
Writeback of/(allowances for) impairment on financial investments, other financial assets and non-financial assets	157	(1,918)	(2,284)	3,683	-	11	(351)
Other recoveries, net	-	-	-	508	-	19	527
Profit/(loss) before taxation	403,350	490,900	268,285	392,284	22,181	(155,631)	1,421,369
Taxation	(96,133)	(117,837)	(61,024)	(91,040)	(4,203)	42,605	(327,632)
Profit/(loss) for the financial year	307,217	373,063	207,261	301,244	17,978	(113,026)	1,093,737
Other information							
Total segment assets	47,827,512	23,178,076	13,552,837	47,463,542	1,572,289	3,261,206	136,855,462
Total segment liabilities	46,048,618	18,257,376	6,918,016	41,087,713	965,002	12,379,041	125,655,766
Cost to income ratio	56.0%	31.2%	38.6%	19.1%	24.3%	>100.0%	47.2%
Gross loans and advances	47,504,646	23,089,004	11,609,944	-	1,566,726	-	83,770,320
Net loans and advances	46,692,131	22,827,038	11,380,519	-	1,566,726	-	82,466,414
Impaired loans and advances	990,835	317,900	66,557	-	-	-	1,375,292
Deposits	45,267,639	18,045,628	6,661,072	22,233,974	955,428	876,498	94,040,239
Additions to:							
Property and equipment	13,308	345	323	73	806	41,174	56,029
Intangible assets	21,286	597	3,404	2,484	220	33,582	61,573