



ALLIANCE BANK

THE BANK FOR LIFE®

REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026



ALLIANCE BANK
Alliance Bank Malaysia Berhad
198201008390 (88103-W)

FINANCIAL STATEMENTS

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STATEMENT OF BOARD OF DIRECTORS' RESPONSIBILITY

FOR PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

The Companies Act 2016 requires Directors to prepare financial statements for each financial year, which give a true and fair view of the financial position as at the end of the financial year and the financial performance for the financial year of the Group and the Bank.

In preparing the financial statements, the Directors are responsible for the adoption of suitable accounting policies that comply with the provisions of the Companies Act, 2016, the Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible to ensure their consistent use in the financial statements, supported where necessary by reasonable and prudent judgments.

The Directors hereby confirm that suitable accounting policies have been consistently applied in the preparation of the financial statements. The Directors also confirm that the Group and the Bank maintain adequate accounting records and an effective system of internal controls to safeguard the assets of the Group and the Bank and to prevent and detect fraud or any other irregularities.

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Bank for the financial year ended 31 March 2026.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in all aspects of banking business and the provision of related financial services.

The principal activities of the subsidiaries, as set out in Note 13 to the financial statements, consist of Islamic banking, nominees services and related financial services.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	GROUP RM'000	BANK RM'000
Profit before taxation	1,068,086	904,453
Taxation and zakat	(241,561)	(180,366)
Net profit for the financial year	826,525	724,087

RESERVES AND PROVISIONS

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

DIVIDENDS

The amounts of dividends declared and paid by the Group and the Bank since 31 March 2025 were as follows:

	RM'000
(i) A single tier second interim dividend of 9.90 sen per share, on 1,548,105,929 ordinary shares amounting to approximately RM153,262,000 in respect of the financial year ended 31 March 2025, was paid on 26 June 2025.	153,262
(ii) A single tier first interim dividend of 9.37 sen per share, on 1,730,223,001 ordinary shares amounting to approximately RM162,122,000 in respect of the financial year ended 31 March 2026, was paid on 30 December 2025.	162,122
	315,384

Subsequent to the financial year end, the Directors declared a single tier second interim dividend of 9.74 sen per share, on 1,730,223,001 ordinary shares amounting to approximately RM168,506,000 in respect of the current financial year. The accompanying financial statements do not reflect this dividend. The dividend will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2027.

The Directors do not propose any final dividend in respect of the financial year ended 31 March 2026.

DIRECTORS' REPORT

ISSUE OF SHARES AND DEBENTURES

The following are the changes in debt and equity securities for the Group and the Bank during the financial year ended 31 March 2026:

- (i) On 15 July 2025, the Bank increased its issued and paid-up capital from RM1,548,105,929 (comprising 1,548,105,929 ordinary shares) to RM2,150,903,329 (comprising 1,730,223,001 ordinary shares) via a rights issue exercise involving 182,117,072 new ordinary shares at RM3.33 per share, for a total consideration of RM602,797,400, after deducting directly attributable expenses of RM3,652,450, as disclosed in Note 27 to the financial statements.
- (ii) During the financial year ended 31 March 2026, the Group and the Bank made various issuances and redemptions of debt securities, as disclosed in Note 26 to the financial statements.

LONG-TERM INCENTIVE PLAN

The Bank implemented a Long-term Incentive Plan ("LTIP") on 23 October 2025, which was approved by the shareholders at its Extraordinary General Meeting held on 30 July 2025. The LTIP is governed by the LTIP By-Laws and is administered by the Long-term Incentive Plan Committee ("LTIP Committee").

The LTIP is intended to attract, retain, motivate and reward the Eligible Employees as defined in the LTIP By-Laws through the award of Alliance Bank Malaysia Berhad's shares ("ABMB Shares") that will be vested to them upon meeting certain performance conditions and any other vesting conditions as may be determined by the LTIP Committee in its sole and absolute discretion.

The LTIP, which is valid for ten years from the effective date on 23 October 2025, will be implemented in the form of a share issuance scheme and a share grant scheme ("LTIP shares"). The LTIP shares may be settled through issuance of new shares or transfer of existing shares, or other modes of settlement as provided in the By-Laws.

The salient details of the LTIP are set out in Note 42 to the Financial Statements.

Details of LTIP shares awarded are as follows:

Award date	Fair value RM	Number of shares awarded '000	Vesting Date*
29 October 2025 - First Grant	3.98	2,971	30 June 2028

* Subject to performance conditions

The following table indicates the number and movement of LTIP shares during the financial year ended 31 March 2026:

Award date	Outstanding as at 1 April 2025 '000	Movement during the year			Outstanding as at 31 March 2026 '000
	Awarded '000	Exercised '000	Expired/ Forfeited '000		
29 October 2025 - First Grant	-	2,971	-	-	2,971

DIRECTORS' REPORT

LONG-TERM INCENTIVE PLAN (CONT'D)

Key Management Personnel who have been awarded the LTIP shares during the financial year ended 31 March 2026 are listed below:

Name	Number of LTIP shares awarded '000
Key Management Personnel	1,624

BAD AND DOUBTFUL DEBTS

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

CURRENT ASSETS

Before the financial statements of the Group and of the Bank were prepared, the Directors took reasonable steps to ascertain that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business, had been written down to an amount which the current assets might be expected so to realise.

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

VALUATION METHOD

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

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Bank which has arisen since the end of the financial year other than in the ordinary course of banking business.

No contingent or other liability of the Group or 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 affect the ability of the Group or of the Bank to meet their obligations as and when they fall due.

DIRECTORS' REPORT

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, which would render any amount stated in the financial statements misleading.

ITEMS OF UNUSUAL NATURE

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Bank during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) 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 which is likely to affect substantially the results of the operations of the Group and of the Bank for the financial year in which this report is made.

DIRECTORS

The Directors of the Bank in office during the financial year and up to the date of this report are:

Tan Sri Amirsham Bin A Aziz (Chairman)
Wong Yuen Weng Ernest
Susan Yuen Su Min
Lum Piew
Cheryl Khor Hui Peng
Chia Yew Hock Wilson
Dr John Lee Hin Hock
Oong Kee Leong
Lily Rozita Binti Mohamad Khairi
Tan Chian Khong (retired with effect from 30 July 2025)

DIRECTORS' REMUNERATION

The Directors' remuneration for the Group and the Bank for the financial year amounted to RM5,277,000 and RM4,069,000 respectively. Details of Directors' remuneration are set out in Note 43 to the financial statements.

DIRECTORS' BENEFITS

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

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 shown under Directors' remuneration in Note 43 to the financial statements) by reason of a contract made by the Bank or its subsidiaries with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings that is required to be kept under Section 59 of the Companies Act 2016, none of the Directors in office at the end of the financial year had any interest in shares of the Bank or its subsidiaries or its related corporations during the financial year.

BUSINESS REVIEW FOR FINANCIAL YEAR ENDED 31 MARCH 2026 ("FY2026")Profitability

The Group recorded a net profit after taxation of RM826.5 million for the financial year ended 31 March 2026, a year-on-year ("YoY") increase of RM75.8 million or 10.1%. This growth was primarily driven by increased revenue after taking into account higher operating expenses and allowances for expected credit losses.

Net interest income increased by RM60.4 million or 3.1% YoY, predominantly attributed to growth in loans, advances, and financing and investment securities. The net interest margin ("NIM") for the period was 2.34% (FY25: 2.45%).

The Group reported other operating income of RM459.2 million, an increase of RM135.9 million or 42.0% YoY. This growth primarily stemmed from increased revenue from treasury and investment income and wealth management income, after taking into account lower credit card fee expenses.

Total revenue stood at RM2.5 billion, increased by RM196.3 million or 8.6% YoY.

Operating Expenses

Operating expenses rose by RM92.9 million, or 8.5% YoY. The cost-to-income ratio ("CIR") stood at 47.9%.

Loan Growth

The implementation of the ACCELER8 strategic plan facilitated an expansion in the Group's loans, advances, and financing, which increased by 7.5% YoY to reach RM67.2 billion. This growth was predominantly propelled by advancements in Consumer, Small and Medium Enterprises ("SME"), and Commercial Banking segments, which grew by 9.0%, 7.4% and 13.2% respectively.

Asset Quality

The Group's allowance for expected credit losses on loans, advances, financing, and other financial assets posted a net charge of RM216.8 million, an increase of RM28.2 million YoY. The net credit cost stood at 33.5 basis points, while the loan loss coverage, including regulatory reserves, stood at 123.1%.

The Group will maintain a prudent approach with a robust credit risk framework applied across all business lines. This involves stratifying customers based on their risk profiles and engaging with them accordingly. The Group continues to focus on controlling credit costs by refining credit policies, enhancing credit underwriting standards, and intensifying collection efforts.

Healthy Funding and Liquidity Position

The Group's current/savings account ("CASA") ratio was 37.5%, with customer deposits totalling RM71.6 billion. Our funding strategy has enabled the Group to maintain a robust liquidity coverage ratio and loans-to-funds ratio, which stood at 158.5% and 85.3%, respectively.

DIRECTORS' REPORT

BUSINESS REVIEW FOR FINANCIAL YEAR ENDED 31 MARCH 2026 (CONT'D)

Proactive Capital Management

We maintained capital position with the Common Equity Tier-1 ("CET 1") ratio at 13.2%, the Tier-1 Capital Ratio at 14.6%, and the Total Capital Ratio at 17.6%, all comfortably surpassing regulatory thresholds.

Additionally, for the financial year ended 31 March 2026, the Group declared a second interim dividend of 9.74 sen per share.

Performance by Business Segment and Subsidiary

The Group's business segments encompass Consumer Banking, Business Banking, and Financial Markets.

In the Consumer Banking segment, profit before tax was recorded at RM146.8 million, reflecting an increase of RM16.2 million YoY. Net income saw an increase of RM86.1 million or 10.9% to RM878.3 million, driven primarily by a rise in net interest income by RM52.2 million and increase in other operating income by RM33.9 million. Operating expenses increased by RM46.2 million or 8.9%, while the allowance for expected credit losses increased by RM23.7 million. Segment assets were recorded at RM37.0 billion.

For the Business Banking segment, comprising corporate, commercial, and SME banking, profit before tax recorded at RM554.2 million, a decrease of RM7.7 million or 1.4% YoY. Net income increased by RM42.4 million or 4.0% to RM1.1 billion, driven by higher net interest income by RM25.1 million and higher other operating income by RM17.3 million. Operating expenses increased by RM46.1 million or 10.0%, while the allowance for expected credit losses increased by RM3.9 million. Segment assets were recorded at RM36.8 billion.

In the Financial Markets segment, profit before tax reached RM371.2 million, an increase of RM52.3 million or 16.4% YoY. Net income increased by RM62.9 million or 17.0%, primarily driven by higher other operating income of RM74.3 million, offset by a decrease in net interest income by RM11.4 million. Operating expenses rose by RM11.8 million. Segment assets recorded at RM18.2 billion.

The Islamic Banking segment, which includes consumer banking, business banking, and financial markets, recorded a net profit after taxation of RM196.9 million, which increased by RM4.8 million, or 2.5% YoY. Net income increased by RM35.1 million, or 6.5%. Net profit income increased by RM27.9 million, while other operating income increased by RM7.2 million. Operating expenses increased by RM18.1 million, or 8.8%. The allowance for expected credit losses increased by RM9.7 million. Total assets stood at RM21.2 billion.

ECONOMIC AND BUSINESS OUTLOOK FOR NEXT FINANCIAL YEAR

Malaysia's economy remains on a growth trajectory, as domestic demand is expected to stay resilient, driven by sustained consumer spending and steady labour market conditions. The country's strong fundamentals and diversified economic structure, together with the government's push for faster economic expansion, continue to bolster the outlook. Nevertheless, we are mindful that growth has been uneven and there are pockets of stress in selected sectors. In addition, we remain cautious of downside risks to growth stemming from external uncertainties such as trade disruptions and geopolitical tensions.

Against this backdrop, FY27 marks a transition year for the Group. As we enter the final phase of our Acceler8 2027 strategy, the Group has largely established its core growth engines with expanded market share across all lines of business, strengthened key technology capabilities, and reinforced its balance sheet to support sustainable growth. Accordingly, the focus for FY27 will shift from broad-based build-out towards value realisation, operational refinement and continued disciplined execution, while positioning the Group for its next stage of strategic evolution beyond Acceler8.

Overall, the Group remains cautiously optimistic in FY2027. While external uncertainties persist, our strengthened fundamentals, improved capital position and more resilient operating platform, position us well to navigate near-term volatility, deliver sustainable value, and lay the groundwork for the Group's post-Acceler8 strategic ambitions.

DIRECTORS' REPORT

RATING BY EXTERNAL RATING AGENCY

The Bank is rated by RAM Rating Services Berhad ("RAM"). Based on RAM's rating in July 2025, the Bank's long-term financial institution ratings has been upgraded to AA3 and short-term rating is reaffirmed at P1. RAM has classified these rating categories as follows:

- P1 - A financial institution rated P1 has a strong capacity to meet its short-term financial obligations. This is the highest short-term Financial Institution Rating (FIR) assigned by RAM Ratings.
- AA3 - A financial institution rated AA3 has a strong capacity to meet its financial obligations. The financial institution is resilient against adverse changes in circumstances, economic conditions and/or operating environments

SUBSIDIARIES

Details of subsidiaries are set out in Note 13 to the financial statements.

AUDITORS' REMUNERATION

Total auditors' remuneration for the Group and the Bank for the financial year ended 31 March 2026 are RM3,078,000 and RM2,773,000 respectively. Details of auditors' remuneration are set out in Note 33 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 52 to the financial statements.

SUBSEQUENT EVENTS

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

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

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

Amirsham Bin A Aziz
Kuala Lumpur, Malaysia
29 May 2026

Oong Kee Leong

STATEMENT BY DIRECTORS

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

We, Amirsham Bin A Aziz and Oong Kee Leong, being two of the Directors of Alliance Bank Malaysia Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 250 to 409 are drawn up so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 March 2026 and the financial performance of the Group and of the Bank for the financial year ended 31 March 2026 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

Amirsham Bin A Aziz

Kuala Lumpur, Malaysia
29 May 2026

Oong Kee Leong

STATUTORY DECLARATION

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

I, Ronnie Royston Fernandiz, being the officer primarily responsible for the financial management of Alliance Bank Malaysia Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 250 to 409 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovenamed Ronnie Royston Fernandiz
at Kuala Lumpur in the Federal Territory on
29 May 2026

Ronnie Royston Fernandiz
MIA Membership No. (CA 13837)

Before me,

How Pek Lean

Commissioner for Oaths

Kuala Lumpur, Malaysia
29 May 2026

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALLIANCE BANK MALAYSIA BERHAD

(INCORPORATED IN MALAYSIA)

(COMPANY NO: 198201008390 (88103-W))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Alliance Bank Malaysia Berhad ("the Bank") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Bank as at 31 March 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 31 March 2026 of the Group and of the Bank, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 250 to 409.

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 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 Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Bank. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Bank, the accounting processes and controls, and the industry in which the Group and the Bank operate.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALLIANCE BANK MALAYSIA BERHAD
(INCORPORATED IN MALAYSIA)
(COMPANY NO: 198201008390 (88103-W))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Bank for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Bank as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
<p>Allowance for impairment on loans, advances and financing</p> <p>Refer to accounting policies 2(a)(ii) and 2(j)(i), and Notes 10 and 34 of the Financial Statements of the Group and the Bank.</p> <p>MFRS 9 introduces an expected credit loss (“ECL”) impairment model, which requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. This is a complex accounting standard which has required considerable judgement and estimates in its implementation.</p> <p>In particular, the significant judgements in applying the accounting requirements for measuring ECL include the following:</p> <ul style="list-style-type: none"> • The models are inherently complex and judgement is applied in determining the appropriate construct of the model; • Identification of loans, advances and financing that have experienced a significant increase in credit risk; and • Assumptions used in the ECL models such as expected future cash flows, forward-looking macroeconomic factors and data sets to be used as inputs to the models. 	<p>We obtained an understanding and tested management’s controls over identification of loans, advances and financing that have experienced significant increase in credit risk or objective evidence of impairment in accordance with the Group and the Bank’s policy and procedures, and the calculation of ECL provisions.</p> <p>We tested a sample of loans, advances and financing and assessed the reasonableness of management’s judgement that there was no significant increase in credit risk or objective evidence of impairment for these loans.</p> <p>Where objective evidence of impairment was identified by the Group and the Bank and impairment loss was individually calculated, we examined both the quantum and timing of future cash flows used by the Group and the Bank in the loss assumptions and compared the assumptions to external evidence where available. Calculations of the discounted cash flows were also re-performed.</p> <p>For staging and identification of exposures with significant increase in credit risk, we assessed and tested the reasonableness of the transfer criteria applied by the Group and the Bank for different types of credit exposures. We evaluated if the transfer criteria are consistent with the Group and the Bank’s policy and credit risk management practices.</p>

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ALLIANCE BANK MALAYSIA BERHAD
(INCORPORATED IN MALAYSIA)
(COMPANY NO: 198201008390 (88103-W))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key audit matters (cont'd)

Key audit matters	How our audit addressed the key audit matter
	<p>To determine the appropriateness of models implemented by the Group and the Bank, we have:</p> <ol style="list-style-type: none"> 1) Assessed the methodologies inherent within the ECL models applied against the requirements of MFRS 9; 2) Tested the design and operating effectiveness of the controls relating to: <ul style="list-style-type: none"> - Governance over ECL model and methodology; - Data used to determine the allowances for credit losses; and - Calculation, review and approval of the ECL calculation. 3) Assessed and tested the significant modelling assumptions; 4) Assessed and considered reasonableness of forward-looking forecasts assumptions. We have checked to independent sources to determine whether the macro-economic information is supportable and reasonable at the reporting date of the Group and the Bank's financial statements. We have also checked the reasonableness of the probability weightage accorded to the economic scenarios; 5) Checked the accuracy of data and calculation of the ECL amount, on a sample basis and assessed the reasonableness of the overlay adjustment to the ECL; and <p>Assessed whether the disclosures in the financial statements appropriately reflect the Group and the Bank's credit risk exposures.</p> <p>Based on the procedures performed, we did not find any material exceptions to the Group and the Bank's assessment on impairment of loans, advances and financing.</p>

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ALLIANCE BANK MALAYSIA BERHAD
(INCORPORATED IN MALAYSIA)
(COMPANY NO: 198201008390 (88103-W))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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 and Annual Report, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the financial statements

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

Auditors' responsibilities for the audit of the financial statements

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

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

- (a) 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.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ALLIANCE BANK MALAYSIA BERHAD
(INCORPORATED IN MALAYSIA)
(COMPANY NO: 198201008390 (88103-W))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)Auditors' responsibilities for the audit of the financial statements (cont'd)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- (e) 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.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Bank for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members 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.

PRICEWATERHOUSECOOPERS PLT

LLP0014401-LCA & AF 1146
Chartered Accountants

MOHAMED ZHARIF BIN MD AGIL

03795/10/2027 J
Chartered Accountant

Kuala Lumpur
29 May 2026

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Note	GROUP		BANK	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
ASSETS					
Cash and short-term funds	3	3,139,796	4,588,931	2,415,492	3,344,893
Deposits and placements with banks and other financial institutions	4	802,949	611,989	452,056	257,130
Investment account placements	5	-	-	150,695	-
Financial assets at fair value through profit or loss	6	704,656	305,999	704,656	305,999
Financial investments at fair value through other comprehensive income	7	13,103,880	11,199,629	10,453,948	9,357,881
Financial investments at amortised cost	8	5,473,468	4,065,023	4,413,375	3,397,964
Derivative financial assets	9	348,763	151,261	349,556	151,261
Loans, advances and financing	10	66,040,530	61,418,548	50,392,712	47,137,566
Other assets	11	387,638	248,134	548,946	267,498
Tax recoverable		4,463	5,782	-	-
Statutory deposits	12	673,738	1,276,202	508,754	972,419
Investments in subsidiaries	13	-	-	731,357	731,222
Investment in joint venture	14	1,238	1,182	1,094	1,094
Right-of-use assets	15	148,584	116,929	148,584	116,929
Property, plant and equipment	16	602,997	491,572	602,746	491,369
Deferred tax assets	17	200,552	219,086	133,035	152,643
Intangible assets	18	522,762	517,038	521,264	515,385
TOTAL ASSETS		92,156,014	85,217,305	72,528,270	67,201,253
LIABILITIES AND EQUITY					
Deposits from customers	19	71,611,798	65,834,954	53,848,137	49,776,588
Deposits and placements of banks and other financial institutions	20	2,611,984	2,054,909	2,357,461	1,844,421
Financial liabilities designated at fair value through profit or loss	21	1,791,930	1,883,460	1,791,930	1,883,460
Obligations on securities sold under repurchase agreements		858,647	1,724,476	858,647	1,724,476
Derivative financial liabilities	9	580,873	247,625	580,873	247,625
Recourse obligations on loans and financing sold to Cagamas	22	703,048	905,646	703,048	604,096
Lease liabilities	23	150,430	117,124	150,456	117,124
Other liabilities	24	2,539,307	2,381,446	2,365,608	2,166,273
Provision for taxation		15,984	22,843	22,527	26,189
Provision for zakat		2,009	1,427	-	-
Other borrowings	25	502,074	502,644	301,268	301,610
Subordinated obligations	26	1,967,064	1,872,304	1,767,518	1,772,176
TOTAL LIABILITIES		83,335,148	77,548,858	64,747,473	60,464,038
Share capital	27	2,150,903	1,548,106	2,150,903	1,548,106
Reserves	28	6,669,963	6,120,341	5,629,894	5,189,109
TOTAL EQUITY		8,820,866	7,668,447	7,780,797	6,737,215
TOTAL LIABILITIES AND EQUITY		92,156,014	85,217,305	72,528,270	67,201,253
COMMITMENTS AND CONTINGENCIES					
	46	88,741,446	65,980,089	85,588,384	62,257,521
Net assets per share attributable to equity holders of the Bank (RM)		5.10	4.95		

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

STATEMENTS OF INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Note	GROUP		BANK	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Interest income	29	2,970,455	2,865,144	2,956,882	2,854,689
Interest expense	30	(1,486,260)	(1,414,017)	(1,486,485)	(1,414,508)
Net interest income		1,484,195	1,451,127	1,470,397	1,440,181
Net income from Islamic banking business	31	582,385	547,078	-	-
		2,066,580	1,998,205	1,470,397	1,440,181
Fee and commission income		287,567	270,838	287,280	270,622
Fee and commission expense		(135,981)	(157,542)	(135,981)	(157,542)
Investment income		126,273	67,816	219,264	161,398
Other income		121,785	90,622	125,303	95,521
Other operating income	32	399,644	271,734	495,866	369,999
Net income		2,466,224	2,269,939	1,966,263	1,810,180
Other operating expenses	33	(1,181,420)	(1,088,499)	(937,930)	(862,662)
Operating profit before allowances		1,284,804	1,181,440	1,028,333	947,518
Allowance for expected credit losses on loans, advances and financing and other financial assets	34	(217,311)	(187,947)	(125,017)	(105,264)
Write-back of/(allowance for) expected credit losses on financial investments	35	538	(615)	1,137	(997)
Operating profit after allowances		1,068,031	992,878	904,453	841,257
Share of results of joint venture	14	55	47	-	-
Profit before taxation and zakat		1,068,086	992,925	904,453	841,257
Taxation and zakat	36	(241,561)	(242,199)	(180,366)	(187,976)
Net profit for the financial year		826,525	750,726	724,087	653,281
Net profit for the financial year attributable to:					
Equity holders of the Bank		826,525	750,726	724,087	653,281
Earnings per share attributable to:	37				
Equity holders of the Bank					
- Basic (sen)		49.3	48.5		
- Diluted (sen)		49.3	48.5		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Net profit for the financial year	826,525	750,726	724,087	653,281
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Revaluation reserve on financial investments at fair value through other comprehensive income ("FVOCI")	33,980	66,921	29,955	62,706
- Net gain from change in fair values	71,261	76,657	60,085	67,954
- Realised (gain)/loss transferred to statements of income on disposal	(26,319)	11,266	(19,856)	13,770
- Transfer to deferred tax	(10,786)	(21,101)	(9,655)	(19,614)
- Changes in expected credit losses	(176)	99	(619)	596
Other comprehensive income, net of tax	33,980	66,921	29,955	62,706
Total comprehensive income for the financial year	860,505	817,647	754,042	715,987
Total comprehensive income for the financial year attributable to:				
Equity holders of the Bank	860,505	817,647	754,042	715,987

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

GROUP	← Attributable to equity holders of the Bank →						Total equity RM'000
	Share capital RM'000	Regulatory reserves RM'000	Capital reserves RM'000	FVOCI reserves RM'000	Other reserves RM'000	Retained profits RM'000	
At 1 April 2025	1,548,106	117,173	10,018	(20,967)	-	6,014,117	7,668,447
Net profit for the financial year	-	-	-	-	-	826,525	826,525
Other comprehensive income	-	-	-	33,980	-	-	33,980
Total comprehensive income	-	-	-	33,980	-	826,525	860,505
Issuance of ordinary shares	602,797	-	-	-	-	-	602,797
Share-based payment expenses under LTIP	-	-	-	-	2,127	-	2,127
Transfer from regulatory reserves	-	-	-	-	-	-	-
Effect of subsidiary's capital return	-	-	-	-	-	2,374	2,374
Dividends paid to shareholders (Note 38)	-	-	-	-	-	(315,384)	(315,384)
At 31 March 2026	2,150,903	117,173	10,018	13,013	2,127	6,527,632	8,820,866
At 1 April 2024	1,548,106	155,485	10,018	(87,888)	-	5,549,407	7,175,128
Net profit for the financial year	-	-	-	-	-	750,726	750,726
Other comprehensive income	-	-	-	66,921	-	-	66,921
Total comprehensive income	-	-	-	66,921	-	750,726	817,647
Issuance of ordinary shares	-	-	-	-	-	-	-
Share-based payment expenses under LTIP	-	-	-	-	-	-	-
Transfer from regulatory reserves	-	(38,312)	-	-	-	38,312	-
Effect of subsidiary's capital return	-	-	-	-	-	-	-
Dividends paid to shareholders (Note 38)	-	-	-	-	-	(324,328)	(324,328)
At 31 March 2025	1,548,106	117,173	10,018	(20,967)	-	6,014,117	7,668,447

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

BANK	← Non-distributable reserves →				Distributable reserves	Total equity RM'000
	Share capital RM'000	Regulatory reserves RM'000	FVOCI reserves RM'000	Other reserves RM'000	Retained profits RM'000	
At 1 April 2025	1,548,106	117,173	(20,316)	-	5,092,252	6,737,215
Net profit for the financial year	-	-	-	-	724,087	724,087
Other comprehensive income	-	-	29,955	-	-	29,955
Total comprehensive income	-	-	29,955	-	724,087	754,042
Issuance of ordinary shares	602,797	-	-	-	-	602,797
Share-based payment expenses under LTIP	-	-	-	2,127	-	2,127
Transfer from regulatory reserves	-	-	-	-	-	-
Dividends paid to shareholders (Note 38)	-	-	-	-	(315,384)	(315,384)
At 31 March 2026	2,150,903	117,173	9,639	2,127	5,500,955	7,780,797
At 1 April 2024	1,548,106	155,485	(83,022)	-	4,724,987	6,345,556
Net profit for the financial year	-	-	-	-	653,281	653,281
Other comprehensive income	-	-	62,706	-	-	62,706
Total comprehensive income	-	-	62,706	-	653,281	715,987
Issuance of ordinary shares	-	-	-	-	-	-
Share-based payment expenses under LTIP	-	-	-	-	-	-
Transfer from regulatory reserves	-	(38,312)	-	-	38,312	-
Dividends paid to shareholders (Note 38)	-	-	-	-	(324,328)	(324,328)
At 31 March 2025	1,548,106	117,173	(20,316)	-	5,092,252	6,737,215

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation and zakat	1,068,086	992,925	904,453	841,257
Adjustments for:				
Accretion of discount less amortisation of premium of financial investments	(62,477)	(53,176)	(62,477)	(53,176)
Allowance for expected credit losses on loans, advances and financing	255,485	233,956	152,255	137,588
Write-back of expected credit losses on commitments and contingencies	(3,360)	(10,970)	(3,020)	(9,853)
(Write-back of)/allowance for expected credit losses in financial investments	(538)	615	(1,137)	997
Allowance for expected credit losses on other receivables	14,577	4,886	10,295	5,269
(Write-back of)/allowance for expected credit losses on deposits and placements with banks	(16)	16	(16)	16
Amortisation of computer software	55,063	47,056	54,396	46,445
Depreciation of property, plant and equipment	38,035	22,563	37,925	22,466
Depreciation of right-of-use assets	32,002	31,386	32,002	31,386
Dividends from financial assets at fair value through profit or loss	(3,216)	(1,357)	(3,216)	(1,357)
Dividends from subsidiaries	-	-	(92,198)	(93,582)
Interest expense on lease liabilities	6,259	5,131	6,259	5,131
Interest expense on other borrowings	9,886	7,097	9,886	7,097
Interest expense on subordinated obligations	74,011	67,039	74,083	67,158
Interest expense on recourse obligations on loans and financing sold to Cagamas	20,572	20,531	20,572	20,531
Interest income from financial investments at amortised cost	(150,496)	(118,041)	(156,282)	(123,826)
Interest income from financial investments at fair value through other comprehensive income	(377,350)	(340,209)	(378,455)	(342,408)
Interest income from investment account placements	-	-	(695)	-
Computer software written-off	140	82	140	82
Gain on disposal of property, plant and equipment and leasehold land	(1,163)	(34)	(1,163)	(34)
Property, plant and equipment written-off	885	1	885	1
Share-based payment expenses under LTIP	2,127	-	1,992	-
Cash flows from operating activities carried forward	978,512	909,497	606,484	561,188

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)				
Cash flows from operating activities brought forward	978,512	909,497	606,484	561,188
Net (gain)/loss from sale of financial investments at fair value through other comprehensive income	(19,856)	13,770	(19,856)	13,770
Unrealised loss arising from derivative instruments	204,814	70,774	204,021	70,774
Unrealised gain arising from hedging activities	(5,542)	-	(5,542)	-
Unrealised gain arising from financial assets at fair value through profit or loss	(41,124)	(31,188)	(41,124)	(31,188)
Unrealised (gain)/loss arising from financial liabilities designated at fair value through profit or loss	(69,399)	451	(69,399)	451
Share of results of joint venture	(55)	(47)	-	-
Cash flows from operating activities before working capital changes	1,047,350	963,257	674,584	614,995
Changes in working capital:				
Deposits from customers	5,776,844	8,437,459	4,071,549	7,250,119
Deposits and placements of banks and other financial institutions	557,075	(148)	513,040	(21,573)
Deposits and placements with banks and other financial institutions with original maturity more than three months	(171,247)	(29,088)	(200,304)	(16)
Derivative instruments	(51,154)	(63,252)	(51,852)	(63,814)
Financial assets at fair value through profit or loss	(357,533)	60,427	(357,533)	60,427
Financial liabilities designated at fair value through profit or loss	(26,333)	(47,563)	(26,333)	(47,563)
Loans, advances and financing	(4,877,467)	(6,931,755)	(3,407,401)	(6,038,677)
Other assets	(151,708)	767,797	(291,744)	850,761
Other liabilities	160,916	(741,790)	192,018	(779,899)
Obligations on securities sold under repurchase agreements	(865,829)	(298,250)	(865,829)	(298,250)
Statutory deposits	602,464	(150,789)	463,665	(120,606)
Cash generated from operating activities	1,643,378	1,966,305	713,860	1,405,904
Net taxation and zakat paid	(239,466)	(257,857)	(174,057)	(192,143)
Net cash generated from operating activities	1,403,912	1,708,448	539,803	1,213,761

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

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Dividends from subsidiaries	-	-	92,198	93,582
Dividends from financial assets at fair value through profit or loss	3,216	1,357	3,216	1,357
Interest received from financial investments at fair value through other comprehensive income	380,796	329,609	380,628	333,643
Interest received from financial investments at amortised cost	152,104	122,826	157,379	129,354
Investment account placements	-	-	(150,000)	-
Purchase of computer software	(60,927)	(101,804)	(60,415)	(101,693)
Purchase of property, plant and equipment	(151,101)	(280,043)	(150,922)	(279,928)
Proceeds from bad debt recovered from financial investments at amortised cost	609	-	609	-
Proceeds from disposal of property, plant and equipment and leasehold land	2,074	34	2,074	34
Proceeds from subsidiary	-	-	-	5,000
Subscription of subsidiary's ordinary shares	-	-	-	(89,566)
Purchase of:				
- financial investments at fair value through other comprehensive income	(9,316,978)	(4,307,455)	(7,564,876)	(3,696,703)
- financial investments at amortised cost	(2,051,034)	(2,857,303)	(1,635,985)	(546,171)
Redemption/disposal of:				
- financial investments at fair value through other comprehensive income	7,543,872	3,205,481	6,498,085	2,610,099
- financial investments at amortised cost	718,973	2,732,101	706,836	626,508
Net cash used in investing activities	(2,778,396)	(1,155,197)	(1,721,173)	(914,484)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Dividends paid to shareholders of the company	(315,384)	(324,328)	(315,384)	(324,328)
Interest paid on other borrowings	(9,886)	(4,453)	(9,886)	(5,487)
Interest paid on subordinated obligations	(73,478)	(66,653)	(73,541)	(66,666)
Interest paid on recourse obligations on loans and financing sold to Cagamas	(23,146)	(22,605)	(21,631)	(21,262)
Repayment of lease liabilities	(35,816)	(40,064)	(35,790)	(40,064)
Proceeds from issuance of ordinary shares	602,797	-	602,797	-
Proceeds from issuance of other borrowings	-	500,000	-	300,000
Proceeds from issuance of subordinated obligations	-	300,000	-	300,000
(Repayment of)/proceeds from recourse obligations on loans and financing sold to Cagamas	(200,024)	(319,954)	100,011	(119,969)
Net cash (used in)/generated from financing activities	(54,937)	21,943	246,576	22,224
Net change in cash and cash equivalents	(1,429,421)	575,194	(934,794)	321,501
Cash and cash equivalents at beginning of financial year	5,171,847	4,596,653	3,602,023	3,280,522
Cash and cash equivalents at end of financial year	3,742,426	5,171,847	2,667,229	3,602,023
Cash and cash equivalents comprise the following:				
Cash and short-term funds (Note 3)	3,139,796	4,588,931	2,415,492	3,344,893
Deposits and placements with banks and other financial institutions (Note 4)	802,949	611,989	452,056	257,130
	3,942,745	5,200,920	2,867,548	3,602,023
Less: Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(200,319)	(29,073)	(200,319)	-
	3,742,426	5,171,847	2,667,229	3,602,023

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

A reconciliation of liabilities from financing activities to the statements of financial position and statements of cash flows as follows:

	Recourse obligations on loans and financing sold to Cagamas RM'000	Lease liabilities RM'000	Other borrowings RM'000	Subordinated obligations RM'000	Total RM'000
GROUP					
At 1 April 2025	905,646	117,124	502,644	1,872,304	3,397,718
Cash flow					
- Proceeds from issuance	400,005	-	-	400,000	800,005
- Redemption/repayment	(600,029)	(35,816)	-	(400,000)	(1,035,845)
- Interest payment	(23,146)	-	(9,886)	(73,478)	(106,510)
Non-cash changes					
- Interest accrued	20,572	6,259	9,886	74,011	110,728
- Fair value hedge adjustments	-	-	(570)	(5,773)	(6,343)
- Additions, remeasurement and termination of contracts	-	62,863	-	100,000	162,863
At 31 March 2026	703,048	150,430	502,074	1,967,064	3,322,616
GROUP					
At 1 April 2024	1,227,674	124,712	-	1,571,918	2,924,304
Cash flow					
- Proceeds from issuance	-	-	500,000	300,000	800,000
- Redemption/repayment	(319,954)	(40,064)	-	-	(360,018)
- Interest payment	(22,605)	-	(4,453)	(66,653)	(93,711)
Non-cash changes					
- Interest accrued	20,531	5,131	7,097	67,039	99,798
- Additions, remeasurement and termination of contracts	-	27,345	-	-	27,345
At 31 March 2025	905,646	117,124	502,644	1,872,304	3,397,718

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

A reconciliation of liabilities from financing activities to the statements of financial position and statements of cash flows as follows: (cont'd)

	Recourse obligations on loans and financing sold to Cagamas RM'000	Lease liabilities RM'000	Other borrowings RM'000	Subordinated obligations RM'000	Total RM'000
BANK					
At 1 April 2025	604,096	117,124	301,610	1,772,176	2,795,006
Cash flow					
- Proceeds from issuance	400,005	-	-	400,000	800,005
- Redemption/repayment	(299,994)	(35,790)	-	(400,000)	(735,784)
- Interest payment	(21,631)	-	(9,886)	(73,541)	(105,058)
Non-cash changes					
- Interest accrued	20,572	6,259	9,886	74,083	110,800
- Fair value hedge adjustments	-	-	(342)	(5,200)	(5,542)
- Additions, remeasurement and termination of contracts	-	62,863	-	-	62,863
At 31 March 2026	703,048	150,456	301,268	1,767,518	2,922,290
BANK					
At 1 April 2024	724,796	124,712	-	1,471,684	2,321,192
Cash flow					
- Proceeds from issuance	-	-	300,000	300,000	600,000
- Redemption/repayment	(119,969)	(40,064)	-	-	(160,033)
- Interest payment	(21,262)	-	(5,487)	(66,666)	(93,415)
Non-cash changes					
- Interest accrued	20,531	5,131	7,097	67,158	99,917
- Additions, remeasurement and termination of contracts	-	27,345	-	-	27,345
At 31 March 2025	604,096	117,124	301,610	1,772,176	2,795,006

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

The Bank is principally engaged in all aspects of banking business and the provision of related financial services.

The principal activities of the subsidiaries are Islamic banking, nominees services, investment advisory services and related financial services.

The Bank is a public limited liability company, incorporated and domiciled in Malaysia. The registered office is located at Level 23, Menara Alliance Bank, No 159, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 May 2026.

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of Preparation

Malaysian Financial Reporting Standards (“MFRS”) Framework

The financial statements of the Group and the Bank have been prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and the Bank have been prepared under the historical cost convention, as modified by the financial investments at fair value through other comprehensive income and financial assets/liabilities (including derivative instruments) at fair value through profit or loss.

The financial statements incorporate all activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to the acceptance of deposits and granting of financing under the Shariah principles.

The financial statements are presented in Ringgit Malaysia (“RM”) and all numbers are rounded to the nearest thousand (RM’000), unless otherwise stated.

The preparation of the financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires the Directors to exercise their judgement in the process of applying the Group’s and the Bank’s accounting policies. Although these estimates and judgements are based on the Directors’ best knowledge of current events and actions, actual results may differ from those estimates.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are described in the following notes:

- (i) Annual testing for impairment of goodwill (Note 18) - the measurement of the recoverable amount of cash-generating units is determined based on the value-in-use method, which requires the use of estimates for cash flow projections approved by the Board of Directors covering a 4-year period, estimated growth rates for cash flows beyond the fourth year are extrapolated in perpetuity and discount rates are applied to the cash flow projections. A sensitivity assessment has been performed by stressing the estimated growth rates and discount rates by a certain percentage.
- (ii) The measurement of allowance for expected credit losses (“ECL”) for financial assets measured at amortised cost and at fair value through other comprehensive income. These are the areas that require the use of significant assumptions about future economic conditions and credit behaviour.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(a) Basis of Preparation (cont'd)****Malaysian Financial Reporting Standards ("MFRS") Framework (cont'd)**

- (ii) The allowance for ECL is recognised using forward-looking information including macroeconomic factors. Using forward-looking information will increase the level of judgement as to how changes in these macroeconomic factors will affect the allowance for ECL. The methodology and assumptions including any forecasts of future economic conditions will continue to be monitored and reviewed.

The sensitivity effect on the macroeconomic factor is further disclosed in Note 44(a)(vi).

Some of the areas of significant judgements involved in the measurement of ECL are detailed as follows:

- Significant increase in credit risk and further disclosure in Note 44(a)(iv)(a);
- Development of ECL models and assumption for the measurement of ECL;
- Determining the number and relative weightings of forward-looking scenarios; and
- Establishing groups of similar financial assets for the purpose of measuring ECL on a collective basis.

The Group and the Bank have also applied pre-emptive provisions and post-model adjustments to determine a sufficient overall level of allowance for ECL as at 31 March 2026. The basis is further disclosed in Note 44(a)(vii).

Standards, amendments to published standards and interpretations that are effective and applicable to the Group and the Bank

The new accounting standards, amendments and improvements to published standards and interpretations that are effective for the Group and the Bank for the financial year beginning on 1 April 2025 are as follows:

- Amendments to MFRS 121 "Lack of Exchangeability"

The adoption of the above standards, amendments to published standards, interpretations to existing standards did not have any significant impact on the financial statements of the Group and the Bank.

Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective

The Group and the Bank will apply the new standards, amendments to standards and interpretations in the following period:

Financial year beginning after 1 April 2026

- (i) Amendments to MFRS 9 and MFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The amendments clarify that financial assets require to be derecognised on that date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged or settled. In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems if specified criteria are met.

The amendments also clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion.

New disclosure requirements have been added for certain instruments with contractual terms that can change cash flows such as some financial instruments with features linked to the achievement of environmental, social and governance targets.

In addition, the amendments also update the disclosures for equity instruments designated at fair value through other comprehensive income ("FVOCI").

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(a) Basis of Preparation (cont'd)****Standards, amendments to published standards and interpretations that are effective and applicable to the Group and the Bank but not yet effective (cont'd)**

The Group and the Bank will apply the new standards, amendments to standards and interpretations in the following period: (cont'd)

Financial year beginning after 1 April 2026 (cont'd)

(ii) Amendments to MFRS 9 and MFRS 7 “Contracts Referencing Nature-dependent Electricity”

The amendments have added the buyer’s application guidance on the MFRS 9 “own-use exemption” for contracts to buy and take delivery of electricity because the source of its generation depends on uncontrollable natural conditions e.g. the weather (“contracts referencing nature-dependent electricity”). Under the amendments, the buyer can apply the MFRS 9 “own-use exemption” to account for these contracts as executory contracts if the buyer has been, and expects to be a “net purchaser” of electricity for the contract period, based on the criteria set in the standard.

The amendments also permit hedge accounting in MFRS 9 if these contracts referencing nature-dependent electricity are used as hedging instruments.

On the other hand, new MFRS 7 disclosure requirements have been introduced to enable users to understand the effects of these contracts on an entity’s financial performance and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026. Early application is permitted.

Financial year beginning after 1 April 2027

(i) MFRS 19 “Subsidiaries without Public Accountability”

The MASB had on 15 July 2024 issued MFRS 19 “Subsidiaries without Public Accountability” effective for annual periods beginning on or after 1 January 2027.

The new MFRS allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other MFRS accounting standards.

An entity may elect to apply MFRS 19 if at the end of the reporting period:

- it is a subsidiary;
- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with MFRS Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(a) Basis of Preparation (cont'd)****Standards, amendments to published standards and interpretations that are effective and applicable to the Group and the Bank but not yet effective (cont'd)**

The Group and the Bank will apply the new standards, amendments to standards and interpretations in the following period: (cont'd)

Financial year beginning after 1 April 2027 (cont'd)

(ii) MFRS 18 "Presentation and Disclosures in Financial Statements"

The MASB had on 14 June 2024 issued MFRS 18 "Presentation and Disclosures in Financial Statements" effective for annual periods beginning on or after 1 January 2027, replaces MFRS 101 "Presentation of Financial Statements".

The new MFRS introduces a new structure of profit or loss statement.

(a) Income and expenses are classified into 3 new main categories:

- (i) Operating category which typically includes result from the main business activities.
- (ii) Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
- (iii) Financing category that presents income and expenses from financing liabilities.

(b) Entities are required to present two new specified subtotals: "Operating profit or loss" and "Profit or loss before financing and income taxes".

Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

MFRS 18 will be applied retrospectively.

The adoption of the above standards, amendments to published standards and interpretations to existing standards are not expected to give rise to any significant impact on the financial statements of the Group and the Bank, except for the adoption of MFRS 18 and amendments of MFRS 9, of which the Group and the Bank are in the midst of assessing the impacts on the financial statements.

(b) Economic Entities in the Group**(i) Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(b) Economic Entities in the Group (cont'd)****(i) Subsidiaries (cont'd)**

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries are prepared for the same reporting date as the Bank.

Business combinations are accounted for using the acquisition method. 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 the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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 [Note 2(d)(i)]. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statements of income.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, and any gains or losses arising from such remeasurement are recognised in statements of income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in statements of income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

In a group reorganisation, the assets and liabilities of the acquired entity are included in the consolidated financial statements of the Group at their existing carrying amounts without fair value uplift. The difference between the consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) is recognised in equity. No goodwill is recognised. The acquired entity's assets and liabilities are incorporated in the consolidated financial statements of the Group as if the entity had always been, prior to the group reorganisation.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transfer assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(b) Economic Entities in the Group (cont'd)****(ii) Changes in Ownership Interests in Subsidiaries Without Change of Control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(iii) Disposal of Subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statements of income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statements of income.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(iv) Associates

Associates are all entities over which the Group has significant influence, but not control or joint control, generally accompanying a shareholding of between 20% and 50% of voting rights. Significant influence is the power to participate in financial and operating policy decisions of associates but not power to exercise control over those policies.

Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in statements of income, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(b) Economic Entities in the Group (cont'd)****(iv) Associates (cont'd)**

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statements of income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statements of income.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to statements of income where appropriate.

Dilution gains and losses arising in investments in associates are recognised in the statements of income.

(v) Joint Arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statements of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in statements of income, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(b) Economic Entities in the Group (cont'd)****(v) Joint Arrangements (cont'd)**

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in statements of income. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to statements of income.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to statements of income where appropriate.

Dilution gains or losses arising in investments in associates are recognised in statements of income.

(c) Investments in Subsidiaries, Joint Ventures and Associates in Separate Financial Statements

In the Bank's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment loss. The policy for the recognition and measurement of impairment is in accordance with Note 2(j)(ii)(b). On disposal of investments in subsidiaries, joint ventures and associates, the difference between disposal proceeds and the carrying amounts of the investments is recognised in the statements of income.

(d) Intangible Assets**(i) Goodwill**

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in statements of income.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at operating segments level. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(d) Intangible Assets (cont'd)****(ii) Computer Software**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software to use. The costs are amortised over their useful lives of five years to ten years and are stated at cost less accumulated amortisation and accumulated impairment, if any. Computer software is assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and amortisation method are reviewed at least at the end of each reporting period.

The policy for the recognition and measurement of impairment is in accordance with Note 2(j)(ii)(b).

Costs associated with maintaining computer software programmes are recognised as expenses as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. These costs include software development employee costs and an appropriate portion of relevant overheads.

(e) Property, Plant and Equipment and Depreciation

Property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised 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 the Management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in the statements of income during the financial year in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent to initial recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The policy for the recognition and measurement of impairment is in accordance with Note 2(j)(ii)(b).

Freehold land has an unlimited useful life and therefore is not depreciated. Other property, plant and equipment are depreciated on the straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, summarised as follows:

Buildings	2%
Office equipment, furniture and fixtures	10% - 20%
Motor vehicles	20%
Renovations	20%
Computer equipment	20% - 33.3%

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(e) Property, Plant and Equipment and Depreciation (cont'd)**

Depreciation on assets under construction commences when the assets are ready for their intended use.

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates with the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the statements of income.

(f) Financial Assets**(i) Classification**

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

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

Business model assessment

The Group and the Bank conduct assessments on the objective of a business model to align with how an asset held within a portfolio is being managed. Factors that are being considered include the key objectives of a portfolio, as to whether the business strategy is to earn contractual interest revenue, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising a portfolio through sale of assets. Other factors considered also include the frequency and volume of sales in prior periods, how the asset's performance is evaluated and reported to key management personnel.

Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")

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 SPPI.

In applying the SPPI test, 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. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

For financial assets measured at fair value, gains and losses will either be recorded in statements of income or statements of other comprehensive income ("OCI"). For investment in debt instruments, this will depend on the business model in which the investment is held. For investment in equity instruments, it is determined by the irrevocable election at the time of initial recognition to account for the equity investment at FVTPL by the Group and the Bank.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(f) Financial Assets (cont'd)****(i) Classification (cont'd)****Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI") (cont'd)**

(i) Financial investments at FVOCI comprise:

Debt securities where the contractual cash flows are solely principal and interest, and the objective of the Group's and the Bank's business model is achieved both by collecting contractual cash flows and selling financial assets.

(ii) The Group and the Bank classify the following financial assets at FVTPL:

- Debt investments that do not qualify for measurement at either amortised cost or fair value through comprehensive income; and
- Equity investments for which the entity has not elected to recognise at fair value through other comprehensive income.

(iii) The Group and the Bank classify their financial investments at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows; and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The policy of the recognition of impairment is in accordance with Note 2(j)(i).

(ii) Recognition and Initial Measurement

Regular way purchases and sales of financial assets are recognised on settlement date, the date on which the Group and the Bank settle to purchase or sell the asset.

At initial recognition, the Group and the Bank measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statements of income.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(f) Financial Assets (cont'd)****(iii) Subsequent Measurement****Debt instruments**

There are three measurement categories into which the Group and the Bank classify its debt instruments:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest/profit income from these financial assets is included in gross interest/profit income using the effective interest/profit method. Any gain or loss arising on derecognition is recognised directly in statements of income and presented in other operating income. Impairment losses are presented as a separate line item in the statements of income.

(ii) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest/profit income and foreign exchange gains and losses which are recognised in statements of income.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to statements of income and recognised in other operating income. Interest/profit income from these financial assets is included in gross interest/profit income using the effective interest/profit method. Foreign exchange gains and losses are presented in other operating income and impairment expenses are presented as a separate line item in the statements of income and statements of comprehensive income.

(iii) FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Bank may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in statements of income and presented net within other operating income in the period which it arises.

Equity instruments

The Group and the Bank subsequently measures all equity investments at fair value where the Group's and the Bank's management has elected to present fair value gains and losses on equity investments through statements of income. Changes in the fair value of financial assets at FVTPL are recognised in other operating income in the statements of income. Dividends from such investments continue to be recognised in statements of income as other operating income when the Group's and the Bank's right to receive payments is established.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(f) Financial Assets (cont'd)****(iv) Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group and the Bank have transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group and the Bank are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as amount due to Cagamas Berhad.

When financial investments at FVOCI are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to statements of income.

(g) Derivative Financial Instrument and Hedge Accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. A derivative is presented as a financial asset when the fair value is positive and as a financial liability when the fair value is negative.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives that do not qualify for hedge accounting are classified as held for trading and accounted for at fair value through profit or loss. Changes in the fair value are recognised immediately in statements of income.

Derivatives that qualify for hedge accounting are designated as either:

- (a) Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- (b) Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or
- (c) Hedges of a net investment in a foreign operation (net investment hedge).

The Group and the Bank document at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group and the Bank document its risk management objective and strategy for undertaking its hedge transactions.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(g) Derivative Financial Instrument and Hedge Accounting (cont'd)**

The hedges for the Group and the Bank that meet the strict criteria for hedge accounting are accounted for as described below:

(i) Fair Value Hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in statements of income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The Group applies fair value hedge accounting for hedging fixed interest risk on securities and borrowings. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate securities and borrowings is recognised in statements of income. The gain or loss relating to the ineffective portion is recognised in statements of income within other operating income. Changes in the fair value of the hedged fixed rate securities and borrowings attributable to interest rate risk are recognised in statements of income within other operating income.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to statements of income over the period to maturity using a recalculated effective interest rate.

The Group and the Bank have applied the following Phase 1 reliefs provided by the Amendments to MFRS 9 and MFRS 7 'Interest Rate Benchmark Reform' for the hedging instruments used in the Group's and the Bank's hedging strategies which reference IBOR and have not yet transitioned to an alternative benchmark rate:

- When considering the 'highly probable' requirement, the Group and the Bank have assumed that the IBOR interest rate on which the Group's and the Bank's hedged subordinated obligations and other borrowings are based does not change as a result of IBOR reform.
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis the Group and the Bank have assumed that the IBOR interest rate on which the cash flows of the hedged subordinated obligations and other borrowings and the interest rate swaps that hedge them are based is not altered by IBOR reform.

The Group and the Bank cease to apply the reliefs provided by the Phase 1 amendments at the earlier of (a) when there is no longer uncertainty arising from IBOR reform over the timing and amount of the IBOR-linked cash flows of the hedged item, and (b) when the hedging relationship to which the reliefs are applied is discontinued.

(ii) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in statements of income.

Amounts accumulated in equity are reclassified to statements of income in the periods when the hedged item affect the statements of income. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in statements of income at the same time as the interest expense on the hedged borrowings.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(g) Derivative Financial Instrument and Hedge Accounting (cont'd)**

The hedges for the Group and the Bank that meet the strict criteria for hedge accounting are accounted for as described below (cont'd):

(ii) Cash Flow Hedge (cont'd)

When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example property, plant and equipment), the gains or losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in depreciation of property, plant and equipment.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in the periods when the hedged item affects the statements of income. When hedged future cash flows or forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred cost of hedging that were reported in equity are immediately reclassified to statements of income.

(h) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(i) Other Assets

Other receivables, deposits, trade receivables, amount due from subsidiaries and related parties included in other assets are carried at amortised cost using the effective yield method, less impairment allowance. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the end of the reporting period.

(j) Impairment of Assets**(i) Impairment of Financial Assets**

The Group and the Bank assess on a forward-looking basis the expected credit loss ("ECL") associated with its financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's and the Bank's financial assets that are subjected to the ECL model include financial assets classified at amortised cost, debt instruments measured at FVOCI, loans commitments, financial guarantee contracts and other commitments.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(j) Impairment of Assets (cont'd)****(i) Impairment of Financial Assets (cont'd)**

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.

(a) General 3-stage approach

At each reporting date, the Group and the Bank measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Impairment will be measured on each reporting date according to a three-stage ECL impairment model:

- (i) Stage 1 - from initial recognition of a financial asset to the date on which the credit risk of the asset has increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months (12-month ECL);
- (ii) Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset (Lifetime ECL); and
- (iii) Stage 3 - when a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised (Lifetime ECL). This includes exposures which have triggered obligatory impairment criterion or are judgmentally impaired.

The detailed measurement of ECL is set out in Note 44.

(b) Simplified approach for other receivables

The Group and the Bank apply the MFRS 9 simplified approach to measure ECL which uses probability default ratio ("PD") and loss given default ("LGD") for the due amount.

The PD methodology is derived based on net flow rate model as a simplified approach in view of its low credit risk and non-maturity profile on due amount. LGD is deemed to be in full at any point in time as accounts comprise short term repayments and forward-looking elements will not be considered.

(c) Write-off

The Group and the Bank write off financial assets, in whole or in part, when all practical recovery efforts have been exhausted and it is concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of borrower's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Bank may write off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in bad debts recoveries.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(j) Impairment of Assets (cont'd)****(ii) Impairment of Non-Financial Assets****(a) Goodwill/Intangible assets**

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill from business combinations or intangible assets is allocated to CGUs which are expected to benefit from the synergies of the business combination or the intangible asset.

The recoverable amount is determined for each CGU based on its value in use. 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. An impairment is recognised in the statements of comprehensive income when the carrying amount of the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the CGU. The total impairment is allocated, first, to reduce the carrying amount of goodwill or intangible assets allocated to the CGU and then to the other assets of the CGU on a pro-rata basis.

An impairment on goodwill is not reversed in subsequent periods. An impairment for other intangible assets is reversed if, and only if, there has been a change in the estimates used to determine the intangible asset's recoverable amount since the last impairment was recognised and such reversal is through the statements of income to the extent that the intangible asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortisation, if no impairment had been recognised.

(b) Other non-financial assets

Other non-financial assets such as property, plant and equipment, computer software, foreclosed properties and investments in subsidiaries and associates are reviewed for objective indications of impairment at the end of each reporting period or whenever there is any indication that these assets may be impaired. Where such indications exist, impairment is determined as the excess of the asset's carrying value over its recoverable amount (greater of value in use or fair value less costs to sell) and is recognised in the statements of income. An impairment for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised.

The carrying amount is increased to its revised recoverable amount, provided that the amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment been recognised for the asset in prior years. A reversal of impairment for an asset is recognised in the statements of income.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(k) Financial Liabilities**

Financial liabilities are initially recognised at the fair value of consideration received less directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at amortised cost.

Certain financial liabilities are designated at initial recognition at fair value through profit or loss when one of the designation criteria is met:

- (i) Designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- (ii) Its performance is evaluated on a fair value basis, in accordance with a documented management or investment strategy.

A financial liability which does not meet any of these criteria may still be designated as measured at FVTPL when it contains one or more embedded derivatives that sufficiently modify the cash flows of the liability and are not clearly closely related.

The component of fair value changes relating to the Group's and the Bank's own credit risk is recognised in other comprehensive income. Amounts recorded in other comprehensive income related to credit risk are not subject to recycling in statements of income, but are transferred to retained earnings when realised.

Interest payables are now classified into the respective class of financial liabilities.

(l) Repurchase Agreements

Financial instruments purchased under resale agreements are instruments which the Group and the Bank have purchased with a commitment to resell at future dates. The commitment to resell the instruments is reflected as an asset in the statements of financial position and measured at amortised cost.

Conversely, obligations on financial instruments sold under repurchase agreements are instruments which the Group and the Bank have sold from their portfolio, with a commitment to repurchase at future dates, are measured at amortised cost. Such financing transactions and the obligations to repurchase the instruments are reflected as a liability in the statements of financial position.

(m) Bills and Acceptances Payable

Bills and acceptances payable represent the Group's and the Bank's own bills and acceptances rediscounted and outstanding in the market. Refer to Note 2(k).

(n) Subordinated Obligations and Other Borrowings

The interest-bearing instruments are classified as liabilities in the statements of financial position as there is a contractual obligation by the Group and the Bank to make cash payments of either principal or interest or both to holders of the debt securities, and the Group and the Bank are contractually obliged to settle the financial instrument in cash or another financial instrument.

Subsequent to initial recognition, debt securities issued are recognised at amortised cost, with any difference between proceeds net of transaction costs and the redemption value being recognised in the statements of income over the period of the borrowings on an effective interest/profit method.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(o) Provisions**

Provisions are recognised when the Group and the Bank have a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group and the Bank expect a provision to be reimbursed by another party (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(p) Leases**Lease in which the Group and the Bank are a Lessee**

Leases are recognised as right-of-use ("ROU") assets and a corresponding liability at the date on which the leased asset is available for use by the Group and the Bank (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Bank allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Bank are a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

(i) Lease Term

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, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Bank reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Bank and affects whether the Group and the Bank are reasonably certain to exercise an option not previously included in the determination of the lease term, or not to exercise an option previously included in the determination of the lease term. A revision in lease term results in remeasurement of the lease liabilities.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(p) Leases (cont'd)****Lease in which the Group and the Bank are a Lessee (cont'd)****(ii) ROU Assets**

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss, if any. ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Bank are reasonably certain to exercise a purchase option, the ROU assets are depreciated on the underlying asset's useful life. In addition, ROU assets are adjusted for certain remeasurement of the lease liabilities.

ROU assets are presented as a separate line item in the statements of financial position.

(iii) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Bank under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Bank are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Bank, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to statements of income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group and the Bank present the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the net interest income in statements of income.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(p) Leases (cont'd)****Lease in which the Group and the Bank are a Lessee (cont'd)****(iv) Short-Term Leases and Leases of Low Value Assets**

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise computer equipment and small items of office equipment. Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an operating expense in statements of income.

Lease in which the Bank is a Lessor

As a lessor, the Bank determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Bank makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Bank considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(i) Finance Leases

The Bank classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Bank derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from the lessee and the unguaranteed residual value of the underlying asset.

Initial direct costs are also included in the initial measurement of the net investment. The net investment is subject to MFRS 9 impairment. In addition, the Bank reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Bank revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(ii) Operating Leases

The Bank classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. The Bank recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

(iii) Sublease Classification

When the Bank is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU assets arising from the head lease, not with reference to the underlying assets. If a head lease is short-term lease to which the Bank applies the exemption described above, then it classifies the sublease as an operating lease.

(iv) Separating Lease and Non-Lease Components

If an arrangement contains lease and non-lease components, the Bank allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(q) Share Capital and Dividends Declared****(i) Classification**

Ordinary shares with discretionary dividends are classified as equity.

(ii) Share Issue Costs

Incremental costs directly attributable to the issue of new shares or options are deducted against equity.

(iii) Dividends Declared

Dividends declared on ordinary shares are deducted from equity in the period in which all relevant approvals have been obtained.

(iv) Earnings Per Share**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owner of the Group and the Bank, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(r) Revenue Recognition**(i) Recognition of Interest and Financing Income**

Interest income and financing income are recognised using effective interest/profit rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the loans/financing or, where appropriate, a shorter period to the net carrying amount of the loans/financing. When calculating the effective interest/profit rate, the Group and the Bank estimate cash flows considering all contractual terms of the loans/financing but do not consider future credit losses. The calculation includes significant fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest income and financing income are recognised in the statements of income for all interest/profit-bearing assets on an accrual basis. Interest income and financing income include the amortisation of premium or accretion of discount. Income from the Islamic banking business is recognised on an accrual basis in accordance with the Shariah principles.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(r) Revenue Recognition (cont'd)****(i) Recognition of Interest and Financing Income (cont'd)**

For impaired loans/financing where the value has been reduced as a result of impairment loss, interest/financing income continues to be accrued using the rate of interest/profit used to discount the future cash flows for the purpose of measuring the impairment.

(ii) Recognition of Fees and Other Income

Fee and commission income of the Group and the Bank is from a wide range of products and services provided to the customers. The income is recognised based on the contractual rates or amount, netted off against fee and commission expense directly attributable to the income. When the performance obligation is fulfilled, where the products and services are delivered to the customer, fee and commission income will be recognised in statements of income.

For transaction-based fee and commission income, it is recognised on the completion of the transaction. Such fees include fees related to the completion of corporate advisory fees, brokerage income, loan arrangement fees and commissions, management and participation fees, underwriting commissions, service charges on credit cards and sale of unit trust funds. These fees constitute a single performance obligation.

For services that are provided over a period of time, fee and commission income is recognised on equal proportion basis over the period during which the related service is provided. This basis of recognition will reflect the nature of these services to the customers over time. Fees for these services can be billed periodically over time. Such fees include commitment, guarantee and portfolio management fees and bancassurance agreements.

Net gain or loss from disposal of financial assets at fair value through profit or loss and financial investments at fair value through other comprehensive income are recognised in statements of income upon disposal of securities, as the difference between net disposal proceeds and carrying amount of the securities.

Dividends are recognised when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence. Dividends that clearly represent a recovery of part of the cost of an investment is recognised in other comprehensive income if it relates to an investment in equity instruments measured at fair value through other comprehensive income.

(s) Recognition of Interest and Financing Expenses

Interest expense and attributable profit (on activities relating to Islamic banking business) on deposits and borrowings of the Group and of the Bank are recognised on an accrual basis.

(t) Foreign Currencies**(i) Functional and Presentation Currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Ringgit Malaysia, which is the Bank's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(t) Foreign Currencies (cont'd)****(ii) Transactions and Balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statements of income.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments classified as FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in statements of income, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in statements of income as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as FVOCI, are included in other comprehensive income.

(u) Current and Deferred Income Tax

Income tax on the statements of income for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the end of the reporting date. In the event of uncertain tax position, the tax is measured using the single best estimate of the most likely outcome.

Tax is recognised in the statements of income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is provided in full, using the liability method, on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period. Deferred tax is recognised as income or an expense in the statements of comprehensive income for the period, except when it arises from a transaction which is recognised directly in other comprehensive income or directly in equity, in which case the deferred tax is also charged or credited to other comprehensive income or to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(u) Current and Deferred Income Tax (cont'd)**

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income tax assets and liabilities relate to taxes levied by the same tax authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(v) Foreclosed Properties

Foreclosed properties are stated at the lower of the carrying amount and fair value less costs to sell.

(w) Cash and Cash Equivalents

Cash and cash equivalents as stated in the statements of cash flows comprise cash and bank balances and short-term deposits with original maturity of three months or less that are readily convertible into cash with insignificant risk of changes in value.

(x) Employee Benefits**(i) Short-Term Employee Benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Bank. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the Group and the Bank pay fixed contributions into separate entities or funds and will have no legal or constructive obligations to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the statements of comprehensive income as incurred. As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF").

(iii) Share-Based Compensation**Long-Term Incentive Plan ("LTIP")**

The Group and the Bank implement a Long-Term Incentive Plan ("LTIP"), which is awarded to employees who fulfil the eligibility criteria and have been approved for participation by the LTIP Committee.

The LTIP, which is valid for ten years from the effective date, will be implemented in the form of a share issuance scheme and a share grant scheme ("LTIP shares"). The LTIP shares may be settled by way of issuance and transfer of new ABMB shares, or other modes of settlement at the absolute discretion of LTIP Committee. Details of the key features of LTIP are set out in Note 42.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

2. MATERIAL ACCOUNTING POLICIES (CONT'D)**(x) Employee Benefits (cont'd)****(iii) Share-Based Compensation (cont'd)****Long-Term Incentive Plan ("LTIP") (cont'd)**

The fair value of LTIP shares granted to eligible employees is recognised as an employee cost with a corresponding increase in the reserve within equity over the vesting period and taking into account the probability that the LTIP shares will vest. The fair value of LTIP shares is measured at the grant date, taking into account the market and non-market vesting conditions upon which the LTIP shares were granted.

At the end of each reporting period, the Group and the Bank revise the estimates of the number of LTIP shares that are expected to vest. The impact of the revision of original estimates, if any, will be recognised in statements of income, with a corresponding adjustment in the reserve within equity.

(y) Contingent Assets and Contingent Liabilities

The Group and the Bank do not recognise contingent assets and liabilities other than those arising from business combination, but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or the Bank or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

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

(z) Financial Guarantee Contract

Financial guarantee contracts are contracts that require the Group and the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 "Financial Instruments" and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 "Revenue from Contracts with Customers", where appropriate.

(aa) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing the performance of the operating segments. The Management Committee of the Group is identified as the chief operating decision-maker.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

3. CASH AND SHORT-TERM FUNDS

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash and balances with banks and other financial institutions	1,240,439	808,092	1,175,582	773,865
Money at call and deposit placements maturing within one month	1,899,385	3,780,903	1,239,938	2,571,092
	3,139,824	4,588,995	2,415,520	3,344,957
Less: Allowance for expected credit losses	(28)	(64)	(28)	(64)
	3,139,796	4,588,931	2,415,492	3,344,893

Movements in allowance for expected credit losses are as follows:

GROUP/BANK	12-Month ECL (Stage 1) RM'000	Total RM'000
At 1 April 2025	64	64
New financial assets originated or purchased	141	141
Financial assets derecognised other than write-off	(180)	(180)
Changes due to change in credit risk	8	8
Other adjustments	(5)	(5)
Total write-back from statements of income	(36)	(36)
At 31 March 2026	28	28
At 1 April 2024	147	147
New financial assets originated or purchased	629	629
Financial assets derecognised other than write-off	(707)	(707)
Changes due to change in credit risk	(1)	(1)
Other adjustments	(4)	(4)
Total write-back from statements of income	(83)	(83)
At 31 March 2025	64	64

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

4. DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Licensed banks	802,949	612,005	452,056	257,146
Less: Allowance for expected credit losses	-	(16)	-	(16)
	802,949	611,989	452,056	257,130

GROUP/BANK	12-Month ECL (Stage 1) RM'000	Total RM'000
	At 1 April 2025	16
New financial assets originated or purchased	15	15
Financial assets derecognised other than write-off	(31)	(31)
Total write-back from statements of income	(16)	(16)
At 31 March 2026	-	-
At 1 April 2024	-	-
New financial assets originated or purchased	124	124
Financial assets derecognised other than write-off	(108)	(108)
Total charge to statements of income	16	16
At 31 March 2025	16	16

5. INVESTMENT ACCOUNT PLACEMENTS

	BANK	
	2026 RM'000	2025 RM'000
Unrestricted Investment Account ("UA") placements	150,695	-
Less: Allowance for expected credit losses	-	-
	150,695	-

The exposure to UA arises from an unrestricted mudarabah arrangement, whereby Alliance Bank Malaysia Berhad provides the capital and Alliance Islamic Bank Berhad manages the funds. Profits are shared based on a pre-agreed ratio.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (“FVTPL”)

	GROUP/BANK	
	2026 RM'000	2025 RM'000
At fair value		
<u>Money market instrument:</u>		
Malaysian Government securities	287,776	253
Malaysian Government investment issues	79,234	591
	367,010	844
<u>Unquoted securities:</u>		
Shares	337,256	303,798
Corporate bonds and sukuk	390	1,357
	337,646	305,155
Total financial assets at FVTPL	704,656	305,999

7. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVOCI”)

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At fair value – debt instruments				
<u>Money market instruments:</u>				
Malaysian Government securities	3,211,000	3,212,493	3,211,000	3,212,493
Malaysian Government investment issues	2,879,400	2,957,580	2,097,165	2,055,323
Negotiable instruments of deposits	947,869	-	400,424	-
Bank Negara Malaysia treasury bills	40,308	-	40,308	-
Commercial papers	29,765	113,912	19,795	113,912
	7,108,342	6,283,985	5,768,692	5,381,728
<u>Quoted securities:</u>				
Shares	10	14	10	14
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	5,995,528	4,915,630	4,685,246	3,976,139
Total financial investments at FVOCI	13,103,880	11,199,629	10,453,948	9,357,881

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

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

Movements in allowance for expected credit losses are as follows:

GROUP	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Total RM'000
At 1 April 2025	1,073	62	1,135
New financial investments originated or purchased	487	57	544
Financial investments derecognised other than write-off	(216)	(61)	(277)
Changes due to change in credit risk	(434)	(9)	(443)
Total write-back from statements of income	(163)	(13)	(176)
At 31 March 2026	910	49	959
At 1 April 2024	971	65	1,036
New financial investments originated or purchased	445	34	479
Financial investments derecognised other than write-off	(142)	(31)	(173)
Changes due to change in credit risk	(201)	(6)	(207)
Total charge to/(write-back from) statements of income	102	(3)	99
At 31 March 2025	1,073	62	1,135
BANK			
At 1 April 2025	1,361	61	1,422
New financial investments originated or purchased	381	57	438
Financial investments derecognised other than write-off	(632)	(61)	(693)
Changes due to change in credit risk	(355)	(9)	(364)
Total write-back from statements of income	(606)	(13)	(619)
At 31 March 2026	755	48	803
At 1 April 2024	765	61	826
New financial investments originated or purchased	872	34	906
Financial investments derecognised other than write-off	(104)	(31)	(135)
Changes due to change in credit risk	(172)	(3)	(175)
Total charge to statements of income	596	-	596
At 31 March 2025	1,361	61	1,422

Note:

There were no credit impaired exposures of financial investments at FVOCI.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

8. FINANCIAL INVESTMENTS AT AMORTISED COST

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government securities	1,039,215	770,667	1,039,215	770,667
Malaysian Government investment issues	2,040,759	2,059,671	1,239,091	1,372,750
Negotiable instruments of deposits	-	-	229,917	220,705
	3,079,974	2,830,338	2,508,223	2,364,122
<u>Unquoted securities:</u>				
Corporate bonds and sukuk	2,395,090	1,236,034	1,907,081	1,035,680
Allowance for expected credit losses	(1,596)	(1,349)	(1,929)	(1,838)
	2,393,494	1,234,685	1,905,152	1,033,842
Total financial investments at amortised cost	5,473,468	4,065,023	4,413,375	3,397,964

Included in the financial investments at amortised cost of the Group and the Bank as at 31 March 2025 were securities set aside as Deferred Net Settlement (“DNS”) collateral for Retail Payment Settlement in RENTAS amounting RM160,000,000. Withdrawal and substitution of DNS Collateral is subject to approval by Bank Negara Malaysia (“BNM”) and Payments Network Malaysia Sdn. Bhd. (“PayNet”).

On 30 September 2025, DNS collateral was no longer required and was withdrawn with BNM’s approval following the successful implementation of the Near Real-Time Settlement (NRTS) mechanism.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

8. FINANCIAL INVESTMENTS AT AMORTISED COST (CONT'D)

Movements in allowance for expected credit losses are as follows:

GROUP	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
At 1 April 2025	815	-	534	1,349
Transfer to Stage 2	-	-	-	-
New financial investments originated or purchased	380	-	-	380
Financial investments derecognised other than write-off	-	-	(518)	(518)
Changes due to change in credit risk	401	-	(16)	385
Total charge to/(write-back from) statements of income	781	-	(534)	247
At 31 March 2026	1,596	-	-	1,596
At 1 April 2024	299	-	534	833
Transfer to Stage 2	(96)	459	-	363
New financial investments originated or purchased	1,264	-	-	1,264
Financial investments derecognised other than write-off	-	(499)	-	(499)
Changes due to change in credit risk	(652)	40	-	(612)
Total charge to statements of income	516	-	-	516
At 31 March 2025	815	-	534	1,349

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

8. FINANCIAL INVESTMENTS AT AMORTISED COST (CONT'D)

Movements in allowance for expected credit losses are as follows: (cont'd)

BANK	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
At 1 April 2025	1,304	-	534	1,838
Transfer to Stage 2	-	-	-	-
New financial investments originated or purchased	242	-	-	242
Financial investments derecognised other than write-off	-	-	(518)	(518)
Changes due to change in credit risk	383	-	(16)	367
Total charge to/(write-back from) statements of income	625	-	(534)	91
At 31 March 2026	1,929	-	-	1,929
At 1 April 2024	903	-	534	1,437
Transfer to Stage 2	(96)	459	-	363
New financial investments originated or purchased	1,160	-	-	1,160
Financial investments derecognised other than write-off	-	(499)	-	(499)
Changes due to change in credit risk	(663)	40	-	(623)
Total charge to statements of income	401	-	-	401
At 31 March 2025	1,304	-	534	1,838

Note:

The transfers between stages are inclusive of net remeasurement of allowances.

The Group's and the Bank's movement on gross exposure of financial investments at amortised cost that are credit impaired are as follows:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 April	534	534	534	534
Write-back during the financial year	(534)	-	(534)	-
At 31 March	-	534	-	534

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

9. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Derivative financial instruments are financial instruments whose values change in response to changes in prices or rates (such as foreign exchange rates, interest rates and equity prices) of the underlying instruments. These instruments allow the Group and the Bank and the banking customers to transfer, modify or reduce their foreign exchange and interest rate risk via hedge relationships. The Group and the Bank also transact in these instruments for proprietary trading purposes. The risks associated with the use of derivative financial instruments, as well as the Management's policy for controlling these risks are set out in Note 44.

The table below shows the Group's and the Bank's derivative financial instruments as at the end of the financial year. The contractual or underlying notional amounts of these derivative financial instruments and their corresponding gross positive (derivative financial asset) and gross negative (derivative financial liability) fair values as at the end of the financial year are analysed below.

GROUP	2026			2025		
	Contract/ notional amount RM'000	Fair value		Contract/ notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
Foreign exchange contracts:						
- Currency forwards	3,554,833	24,654	(77,286)	4,028,657	30,514	(27,372)
- Currency swaps	19,272,778	193,375	(218,664)	10,335,193	41,377	(49,295)
- Currency spots	473,017	1,024	(908)	230,687	75	(99)
- Currency options	614,891	1,937	(1,057)	796,796	885	(32)
Interest rate related contracts:						
- Interest rate swaps	39,669,985	127,131	(174,178)	27,017,843	78,319	(105,236)
Equity related contracts:						
- Options	764,479	642	(102,591)	414,960	91	(65,591)
Hedging derivatives						
Interest rate related contracts:						
- Interest rate swaps	1,925,000	-	(6,189)	-	-	-
Total derivative assets/(liabilities)	66,274,983	348,763	(580,873)	42,824,136	151,261	(247,625)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

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

The table below shows the Group's and the Bank's derivative financial instruments as at the end of the financial year. The contractual or underlying notional amounts of these derivative financial instruments and their corresponding gross positive (derivative financial asset) and gross negative (derivative financial liability) fair values as at the end of the financial year are analysed below.(cont'd)

BANK	2026			2025		
	Contract/ notional amount RM'000	Fair value		Contract/ notional amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
Foreign exchange contracts:						
- Currency forwards	3,554,833	24,654	(77,286)	4,028,657	30,514	(27,372)
- Currency swaps	19,272,778	193,375	(218,664)	10,335,193	41,377	(49,295)
- Currency spots	473,017	1,024	(908)	230,687	75	(99)
- Currency options	614,891	1,937	(1,057)	796,796	885	(32)
Interest rate related contracts:						
- Interest rate swaps	40,469,985	127,924	(174,971)	27,017,843	78,319	(105,236)
Equity related contracts:						
- Options	764,479	642	(102,591)	414,960	91	(65,591)
Hedging derivatives						
Interest rate related contracts:						
- Interest rate swaps	1,525,000	-	(5,396)	-	-	-
Total derivative assets/(liabilities)	66,674,983	349,556	(580,873)	42,824,136	151,261	(247,625)

(a) Fair value hedge

The Group and the Bank use interest rate swaps to hedge its exposure to changes in the fair value of bonds in respect of benchmark interest rate.

The Group's and the Bank's hedge accounting policy requires effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship prospectively, and through periodic retrospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument. The hedge effectiveness is assessed by comparing changes in the fair value of the hedged items attributable to interest rate change with changes in the fair value of the hedging instrument.

The Group and the Bank establish the hedge ratio based on the notional and the tenure of the hedged item and hedging instrument. Hedged ineffectiveness is recognised into statements of income when the fair value change in the designated component value of the hedged item exceeds the change in value of the hedging instrument attributable to the hedged risk.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

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

(a) Fair value hedge (cont'd)

(i) The amounts relating to items designated as hedging instruments and hedge ineffectiveness were as follows:

GROUP	Nominal amount RM'000	Fair value		Changes in fair value used for calculating hedge ineffectiveness RM'000	Hedge ineffectiveness recognised in statements of income RM'000	Average interest rate
		Assets RM'000	Liabilities RM'000			
31 March 2026						
Interest rate risk						
Interest rate swaps	1,925,000	-	(6,189)	(6,343)	-	3.24%
BANK						
31 March 2026						
Interest rate risk						
Interest rate swaps	1,525,000	-	(5,396)	(5,542)	-	3.24%

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

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

(a) Fair value hedge (cont'd)

(ii) The amounts relating to items designated as hedged items are as follows:

GROUP	Hedged item category in statements of financial position	Hedged item RM'000	Carrying amount of hedged item RM'000	Accumulated amount of fair value hedge adjustment RM'000	Changes in fair value used for calculating hedge ineffectiveness RM'000	Balance of fair value hedge adjustments remaining in the statements of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses RM'000
31 March 2026						
Hedged items						
Medium Term Notes	Other Borrowings		502,644	570	570	-
Subordinated Obligations	Subordinated Obligations		1,439,645	5,773	5,773	-
Total Hedged Items			1,942,289	6,343	6,343	-
BANK						
31 March 2026						
Hedged items						
Medium Term Notes	Other Borrowings		301,610	342	342	-
Subordinated Obligations	Subordinated Obligations		1,239,526	5,200	5,200	-
Total Hedged Items			1,541,136	5,542	5,542	-

Note:

The Group and the Bank did not designate any financial instruments as fair value hedges during the financial year ended 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

10 LOANS, ADVANCES AND FINANCING

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At amortised cost				
Overdrafts	3,032,184	2,904,097	1,749,021	1,676,300
Term loans/financing				
- Housing loans/financing	21,098,421	18,843,138	17,173,060	15,097,444
- Syndicated term loans/financing	622,015	541,091	622,015	541,091
- Hire purchase receivables	335,328	362,809	307,894	328,867
- Other term loans/financing	30,085,114	28,630,257	21,267,187	20,860,631
Bills receivables	767,268	957,332	676,354	912,043
Trust receipts	199,928	252,456	162,053	217,221
Claims on customers under acceptance credits	4,104,516	4,041,520	2,875,519	2,855,588
Staff loans (Loans to Directors: RM Nil)	12,935	14,446	1,753	2,132
Credit/charge card receivables	925,983	813,671	925,983	813,671
Revolving credits	2,998,477	2,530,297	2,394,150	1,947,707
Share margin financing	2,971,834	2,554,238	2,971,834	2,554,238
Gross loans, advances and financing	67,154,003	62,445,352	51,126,823	47,806,933
Add: Sales commissions and handling fees	199,926	193,914	165,955	167,443
Less: Allowance for expected credit losses on loans, advances and financing	(1,313,399)	(1,220,718)	(900,066)	(836,810)
Total net loans, advances and financing	66,040,530	61,418,548	50,392,712	47,137,566

(i) By maturity structure:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Within one year	15,202,746	14,529,709	11,897,836	11,394,415
One year to three years	2,394,135	2,133,988	1,995,755	1,665,335
Three years to five years	3,996,180	4,439,433	2,990,716	3,748,080
Over five years	45,560,942	41,342,222	34,242,516	30,999,103
Gross loans, advances and financing	67,154,003	62,445,352	51,126,823	47,806,933

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

10 LOANS, ADVANCES AND FINANCING (CONT'D)

(ii) By type of customer:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Domestic banking institutions	95	50	95	50
Domestic non-bank financial institutions	2,365,994	1,458,088	1,708,169	1,068,226
Domestic business enterprises				
- Small and medium enterprises	22,887,423	21,475,574	16,014,172	15,535,464
- Others	8,667,598	9,044,723	7,306,824	7,697,726
Government and statutory bodies	4	1	4	1
Individuals	32,133,733	29,616,082	25,091,178	22,733,044
Other domestic entities	10,525	2,899	2,312	2,663
Foreign entities	1,088,631	847,935	1,004,069	769,759
Gross loans, advances and financing	67,154,003	62,445,352	51,126,823	47,806,933

(iii) By interest/profit rate sensitivity:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Fixed rate				
- Housing loans/financing	13,188	16,000	2,408	3,004
- Hire purchase receivables	335,078	362,380	307,643	328,438
- Other fixed rate loans/financing	9,448,536	9,336,972	5,939,295	6,052,458
Variable rate				
- Base lending rate plus	27,043,035	26,610,724	19,857,988	20,061,380
- Base rate plus	22,496,264	18,930,684	18,461,384	15,071,821
- Cost plus	7,817,902	7,188,592	6,558,105	6,289,832
Gross loans, advances and financing	67,154,003	62,445,352	51,126,823	47,806,933

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

10 LOANS, ADVANCES AND FINANCING (CONT'D)

(iv) By economic purposes:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Purchase of securities	3,159,992	2,637,781	3,011,792	2,637,781
Purchase of transport vehicles	162,280	193,801	111,401	144,814
Purchase of landed property	34,451,075	31,115,143	27,296,061	24,507,782
of which: - Residential	21,648,184	19,475,903	17,667,504	15,671,174
- Non-residential	12,802,891	11,639,240	9,628,557	8,836,608
Purchase of fixed assets excluding land and buildings	547,220	465,111	466,473	419,627
Personal use	6,287,657	6,577,596	3,115,458	3,394,786
Credit card	925,983	813,671	925,983	813,671
Construction	2,190,839	1,875,779	1,746,886	1,539,012
Working capital	14,775,013	14,279,303	10,831,792	10,769,972
Others	4,653,944	4,487,167	3,620,977	3,579,488
Gross loans, advances and financing	67,154,003	62,445,352	51,126,823	47,806,933

(v) By economic sectors:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Primary agriculture	1,215,543	1,297,693	788,578	853,328
Mining and quarrying	169,092	162,707	151,513	149,968
Manufacturing	5,935,656	5,788,979	4,213,864	4,222,481
Electricity, gas and water	236,136	178,392	198,627	142,199
Construction	2,706,571	2,599,616	1,965,276	1,994,815
Wholesale, retail trade, restaurants and hotels	11,929,903	11,579,898	8,719,113	8,639,045
Transport, storage and communication	1,053,714	936,141	754,427	680,764
Financing, insurance, real estate and business services	9,995,847	8,864,375	7,702,202	7,162,180
Community, social and personal services	694,105	573,483	542,904	459,300
Household	33,217,313	30,464,017	26,090,196	23,502,802
Others	123	51	123	51
Gross loans, advances and financing	67,154,003	62,445,352	51,126,823	47,806,933

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

10 LOANS, ADVANCES AND FINANCING (CONT'D)

(vi) By geographical distribution:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Northern region	6,130,471	5,750,764	4,006,153	3,800,041
Central region	47,545,509	43,967,424	36,795,280	34,404,901
Southern region	7,531,288	7,009,623	6,151,540	5,650,970
Sabah region	4,230,415	4,095,873	2,866,874	2,690,974
Sarawak region	1,716,320	1,621,668	1,306,976	1,260,047
Gross loans, advances and financing	67,154,003	62,445,352	51,126,823	47,806,933

(vii) Movements in credit impaired loans, advances and financing ("impaired loans") in Stage 3:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 April	1,145,030	1,178,027	857,628	862,570
Impaired during the financial year	1,388,095	1,355,972	894,418	864,960
Recovered during the financial year	(171,095)	(105,252)	(144,426)	(78,338)
Reclassified as non-impaired during the financial year	(852,661)	(883,062)	(552,065)	(564,285)
Financial assets derecognised other than write-off during the financial year	(100,730)	(104,922)	(43,854)	(45,483)
Amount written off	(246,932)	(295,733)	(147,474)	(181,796)
At 31 March	1,161,707	1,145,030	864,227	857,628
Gross impaired loans ratio	1.73%	1.83%	1.69%	1.79%
Net impaired loans ratio	0.93%	1.02%	0.86%	0.94%

The credit impaired loans, advances and financing of RM1,161,707,000 and RM864,227,000 (2025: RM1,145,030,000 and RM857,628,000) for the Group and the Bank are offset by the claim proceeds received from Credit Guarantee Corporation Malaysia Berhad ("CGC"), amounting to RM4,655,000 and RM3,681,000 (2025: RM4,768,000 and RM3,957,000) for the Group and the Bank respectively.

The Group and the Bank may write off financial assets when relevant recovery actions have been exhausted or further recovery is not economically feasible or justifiable. The outstanding contractual amounts of such assets written off during the year amounted to RM246,932,000 and RM147,474,000 (2025: RM295,733,000 and RM181,796,000) for the Group and the Bank respectively. The Group and the Bank still seek to recover amounts that are legally owed in full, but which have been partially or fully written off and are still subject to enforcement activity.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

10 LOANS, ADVANCES AND FINANCING (CONT'D)

(viii) Credit impaired loans analysed by economic purposes:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Purchase of securities	-	2,007	-	2,007
Purchase of transport vehicles	6,508	8,402	6,125	7,591
Purchase of landed property	480,772	406,657	356,740	271,303
of which: - Residential	352,098	304,190	242,188	189,839
- Non-residential	128,674	102,467	114,552	81,464
Purchase of fixed assets excluding land and buildings	8,503	8,788	8,337	8,637
Personal use	193,186	202,114	89,186	89,681
Credit card	9,967	7,393	9,967	7,393
Construction	2,016	2,126	2,016	2,126
Working capital	365,856	356,917	312,114	328,150
Others	94,899	150,626	79,742	140,740
Gross impaired loans	1,161,707	1,145,030	864,227	857,628

(ix) Credit impaired loans analysed by economic sectors:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Primary agriculture	1,287	1,308	9	9
Mining and quarrying	354	556	354	556
Manufacturing	85,619	82,897	54,407	64,411
Electricity, gas and water	470	469	470	469
Construction	188,958	257,900	177,314	245,996
Wholesale, retail trade, restaurants and hotels	231,694	187,486	199,715	168,889
Transport, storage and communication	7,831	9,158	7,229	8,231
Financing, insurance, real estate and business services	47,117	52,824	44,483	50,899
Community, social and personal services	11,293	18,172	7,397	13,080
Household	587,084	534,260	372,849	305,088
Gross impaired loans	1,161,707	1,145,030	864,227	857,628

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

10 LOANS, ADVANCES AND FINANCING (CONT'D)

(x) Credit impaired loans by geographical distribution:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Northern region	124,281	107,547	82,644	69,133
Central region	884,383	903,382	673,253	689,628
Southern region	100,189	88,426	76,411	72,143
Sabah region	37,285	34,792	17,404	17,004
Sarawak region	15,569	10,883	14,515	9,720
Gross impaired loans	1,161,707	1,145,030	864,227	857,628

(xi) Movements in the allowance for expected credit losses on loans, advances and financing are as follows:

GROUP	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
	At 1 April 2025	254,740	452,887	513,091
Transfer to Stage 1	110,880	(358,877)	(11,091)	(259,088)
Transfer to Stage 2	(176,730)	754,901	(181,813)	396,358
Transfer to Stage 3	(414)	(328,800)	385,274	56,060
New financial assets originated or purchased	125,759	131,569	2,998	260,326
Financial assets derecognised other than write-off	(85,854)	(144,175)	(21,291)	(251,320)
Changes due to change in credit risk	7,620	30,092	15,537	53,249
Other adjustments	(69)	(31)	-	(100)
	(18,808)	84,679	189,614	255,485
Unwinding of discount	-	-	53,128	53,128
Total (write-back from)/charge to statements of income	(18,808)	84,679	242,742	308,613
Write-off	(70)	(4,188)	(211,674)	(215,932)
At 31 March 2026	235,862	533,378	544,159	1,313,399

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

10 LOANS, ADVANCES AND FINANCING (CONT'D)

(xi) Movements in the allowance for expected credit losses on loans, advances and financing are as follows: (cont'd)

GROUP	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	223,351	426,406	534,968	1,184,725
Transfer to Stage 1	138,821	(364,749)	(2,268)	(228,196)
Transfer to Stage 2	(140,015)	663,390	(193,859)	329,516
Transfer to Stage 3	(226)	(311,159)	382,537	71,152
New financial assets originated or purchased	133,337	100,806	4,463	238,606
Financial assets derecognised other than write-off	(79,211)	(112,061)	(21,868)	(213,140)
Changes due to change in credit risk	(21,415)	54,403	2,963	35,951
Other adjustments	112	(45)	-	67
	31,403	30,585	171,968	233,956
Unwinding of discount	-	-	48,142	48,142
Total charge to statements of income	31,403	30,585	220,110	282,098
Write-off	(14)	(4,104)	(241,987)	(246,105)
At 31 March 2025	254,740	452,887	513,091	1,220,718

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

10 LOANS, ADVANCES AND FINANCING (CONT'D)

(xi) Movements in the allowance for expected credit losses on loans, advances and financing are as follows: (cont'd)

BANK	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
At 1 April 2025	159,037	266,133	411,640	836,810
Transfer to Stage 1	64,702	(205,071)	(10,622)	(150,991)
Transfer to Stage 2	(102,460)	445,302	(114,085)	228,757
Transfer to Stage 3	(154)	(190,753)	233,337	42,430
New financial assets originated or purchased	75,067	101,963	596	177,626
Financial assets derecognised other than write-off	(57,212)	(108,105)	(11,002)	(176,319)
Changes due to change in credit risk	7,526	15,996	7,330	30,852
Other adjustments	(69)	(31)	-	(100)
	(12,600)	59,301	105,554	152,255
Unwinding of discount	-	-	38,751	38,751
Total (write-back from)/charge to statements of income	(12,600)	59,301	144,305	191,006
Write-off	(34)	(1,297)	(126,419)	(127,750)
At 31 March 2026	146,403	324,137	429,526	900,066
At 1 April 2024	133,745	260,560	418,242	812,547
Transfer to Stage 1	75,037	(212,218)	(1,352)	(138,533)
Transfer to Stage 2	(78,332)	384,365	(120,503)	185,530
Transfer to Stage 3	(208)	(190,632)	234,299	43,459
New financial assets originated or purchased	88,001	71,981	1,346	161,328
Financial assets derecognised other than write-off	(53,439)	(77,504)	(9,650)	(140,593)
Changes due to change in credit risk	(5,874)	31,952	253	26,331
Other adjustments	111	(45)	-	66
	25,296	7,899	104,393	137,588
Unwinding of discount	-	-	36,427	36,427
Total charge to statements of income	25,296	7,899	140,820	174,015
Write-off	(4)	(2,326)	(147,422)	(149,752)
At 31 March 2025	159,037	266,133	411,640	836,810

Note:

The transfers between stages are inclusive of net remeasurement of allowances.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

10 LOANS, ADVANCES AND FINANCING (CONT'D)

- (xi) Movements in the allowance for expected credit losses on loans, advances and financing are as follows: (cont'd)

Impact of movements in gross carrying amount on expected credit losses

**GROUP
2026**

Stage 1 ECL for the Group decreased by RM18.9 million as a result of repayment of loans, advances and financing combined with net movement of accounts between stages, offset by newly originated loans, advances and financing.

Stage 2 ECL increased by RM80.5 million, primarily driven by newly originated loans, advances and financing, combined with movement within Stage 2 portfolio and accounts migrated from Stage 1 and Stage 3 into Stage 2 due to changes in credit risk. The increase was offset by repayment of loans, advances and financing, as well as accounts migrated to Stage 3 due to deterioration in credit quality and migrated to Stage 1 as a result of improved credit quality.

Stage 3 ECL for the Group increased by RM31.1 million, mainly due to accounts transferred to Stage 3 arising from deterioration in credit quality. The increase was partially offset by accounts migrated into Stage 1 and Stage 2 following improvement in credit quality, write-off mainly from personal loans/financing segment and repayment of loans, advances and financing mainly observed in mortgages.

Total ECL movements in 2026 were also affected by the changes in forward-looking economic inputs and pre-emptive provisions were applied to determine a sufficient overall level of ECL. These pre-emptive provisions were taken to reflect the potential impact to delinquencies and defaults arising from escalation of credit risk.

2025

Stage 1 ECL for the Group increased by RM31.4 million as a result of newly originated loans, advances and financing, partially offset by repayment of loans, advances and financing.

Stage 2 ECL increased by RM26.5 million as a result of newly originated loans, advances and financing, combined with movement in Stage 2 accounts and accounts migrated from Stage 1 and Stage 3 into Stage 2 due to changes in credit risk. The increase was offset by repayment of loans, advances and financing, and accounts migrated to Stage 3 due to deterioration in credit quality and migrated to Stage 1 as a result of improved credit quality.

Stage 3 ECL for the Group decreased by RM21.9 million as a result of accounts written off mainly from personal loans/financing segment and repayment of loans, advances and financing mainly observed in mortgages, offset by loans, advances and financing migrated to Stage 3 from Stage 1 and Stage 2 due to deterioration in credit quality.

Total ECL movements in 2025 are also affected by the changes in forward-looking economic inputs and pre-emptive provisions have been applied to determine a sufficient overall level of ECL. These pre-emptive provisions were taken to reflect the potential impact to delinquencies and defaults arising from escalation of credit risk.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

11. OTHER ASSETS

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Other receivables	171,670	112,917	115,584	128,280
Collateral pledged for derivative transactions	207,230	104,225	207,230	104,225
Settlement account	10,668	28,113	10,668	28,113
Deposits	5,564	8,823	5,343	8,588
Prepayment	48,534	44,295	46,696	40,184
Amounts due from subsidiaries [Note (a)]	-	-	216,554	5,046
	443,666	298,373	602,075	314,436
Allowance for expected credit losses on other receivables [Note (b)]	(56,028)	(50,239)	(53,129)	(46,938)
	387,638	248,134	548,946	267,498

Note:

(a) Amounts due from subsidiaries

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Non-interest bearing	-	-	216,554	5,046

The amounts due from subsidiaries are unsecured, interest-free and repayable upon demand.

(b) Movements for allowance for expected credit losses on other receivables are as follows:

Lifetime ECL	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 April	50,239	45,363	46,938	41,681
New financial assets originated or purchased	2,340	2,343	158	175
Financial assets derecognised other than write-off	(3,520)	(3,982)	(293)	(285)
Changes due to change in credit risk	15,757	6,525	10,430	5,379
Total charge to statements of income	14,577	4,886	10,295	5,269
Write-off	(8,788)	(10)	(4,104)	(12)
At 31 March	56,028	50,239	53,129	46,938

As at 31 March 2026, the Group's and the Bank's gross exposure of other receivables that are under lifetime expected credit losses were at RM56,028,000 and RM53,129,000 (2025: RM50,239,000 and RM46,938,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

12. STATUTORY DEPOSITS

Non-interest bearing statutory deposits for the Group and the Bank of RM673,738,000 and RM508,754,000 (2025: RM1,276,202,000 and RM972,419,000) respectively are maintained with BNM 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.

13. INVESTMENTS IN SUBSIDIARIES

	BANK	
	2026 RM'000	2025 RM'000
Unquoted shares, at cost		
At 1 April	731,222	646,656
Subscription of ordinary shares in subsidiary	-	89,566
Capital contribution to subsidiary [Note (a)]	135	-
Return of capital	-	(5,000)
At 31 March	731,357	731,222

The Bank's subsidiaries, all of which incorporated in Malaysia, are:

Name	Principal activities	Effective equity interest	
		2026 %	2025 %
Alliance Islamic Bank Berhad ("AISB")	Islamic banking, finance business and the provision of related financial services	100	100
Alliance Direct Marketing Sdn. Bhd.	Dealing in sales and distribution of consumer and commercial banking products	100	100
AllianceGroup Nominees (Asing) Sdn. Bhd.	Nominee services	100	100
AllianceGroup Nominees (Tempatan) Sdn. Bhd.	Nominee services	100	100
AIBB Berhad ("AIBB") (formerly known as Alliance Investment Bank Berhad) (under members' voluntary winding up)	Dormant	100	100
Alliance Financial Group Berhad (dissolved on 19 September 2025)	Liquidated	-	100
<i>Subsidiary of Alliance Financial Group Berhad</i>			
Kota Indrapura Development Bhd. (dissolved on 24 June 2025)	Liquidated	-	100

Note:

- (a) Being LTIP which was implemented by the Bank on 23 October 2025, that granted to the Bank's subsidiaries' employees.
- (b) Alliance Financial Group Berhad ("AFG") and Kota Indrapura Development Bhd. have been dissolved by way of members' voluntary winding-up pursuant to Section 459(5) of the Companies Act 2016 on 19 September 2025 and 24 June 2025 respectively.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

14. INVESTMENT IN JOINT VENTURE

	GROUP	
	2026 RM'000	2025 RM'000
Unquoted shares		
At 1 April	1,182	1,135
Movement during the year	1	-
Share of results	55	47
At 31 March	1,238	1,182
Represented by:		
Share of net tangible assets	1,238	1,182
	BANK	
	2026 RM'000	2025 RM'000
Unquoted shares, at cost	1,094	1,094

Details of the joint venture, which is incorporated in Malaysia, are as follows:

Name	Principal activities	Effective equity interest	
		2026 %	2025 %
AllianceDBS Research Sdn. Bhd. ("ADBS")	Research and stock analysis	51	51

Investment in ADBS is accounted for as an investment in joint venture in accordance with MFRS 128 "Investment in Associates and Joint Ventures" because both the Bank and the other joint venturer have joint control over the decision making of ADBS and rights to net assets of ADBS.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

14. INVESTMENT IN JOINT VENTURE (CONT'D)

The summarised financial information of the joint venture is as follows:

	GROUP	
	2026 RM'000	2025 RM'000
Assets and liabilities		
Current assets		
Cash and short-term funds	2,633	2,468
Other current assets	130	179
Total current assets	2,763	2,647
Non-current assets	351	179
Total assets	3,114	2,826
Current liabilities		
Other liabilities (non-trade)	516	475
Total current liabilities	516	475
Non-current liabilities	171	33
Total liabilities	687	508
Net assets	2,427	2,318

The summarised statement of comprehensive income is as follows:

	GROUP	
	2026 RM'000	2025 RM'000
Revenue	2,482	2,395
Profit before tax for the financial year	134	128
Profit after tax for the financial year	108	93
The above profit includes the following:		
Depreciation and amortisation	(2)	(1)
Taxation	(26)	(35)
Reconciliation of summarised financial information:		
<u>Net assets</u>		
At 1 April	2,318	2,225
Movement during the year	1	-
Profit for the financial year	108	93
At 31 March	2,427	2,318
Carrying value at 51% share of the equity interest of a joint venture	1,238	1,182

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

15. RIGHT-OF-USE ASSETS

GROUP 2026	Premises RM'000	Leasehold land RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 April 2025	273,816	13,523	5,995	37,827	1,111	332,272
Additions	39,277	-	-	7,470	540	47,287
Disposal	-	(352)	-	-	-	(352)
Remeasurement	14,827	-	4,218	1,565	-	20,610
Termination	(103,263)	-	-	(1,030)	(1,111)	(105,404)
At 31 March 2026	224,657	13,171	10,213	45,832	540	294,413
Accumulated depreciation						
At 1 April 2025	191,385	5,059	5,995	11,878	989	215,306
Charge for the financial year	20,851	131	820	10,063	137	32,002
Disposal	-	(139)	-	-	-	(139)
Termination	(99,251)	-	-	(978)	(1,111)	(101,340)
At 31 March 2026	112,985	5,051	6,815	20,963	15	145,829
Accumulated impairment losses						
At 1 April 2025	-	37	-	-	-	37
Disposal	-	(37)	-	-	-	(37)
At 31 March 2026	-	-	-	-	-	-
Net carrying amount	111,672	8,120	3,398	24,869	525	148,584

GROUP 2025	Premises RM'000	Leasehold land RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 April 2024	268,955	13,523	5,995	15,542	912	304,927
Additions	4,950	-	-	22,154	-	27,104
Remeasurement	(89)	-	-	131	199	241
At 31 March 2025	273,816	13,523	5,995	37,827	1,111	332,272
Accumulated depreciation						
At 1 April 2024	166,084	4,922	5,101	6,953	860	183,920
Charge for the financial year	25,301	137	894	4,925	129	31,386
At 31 March 2025	191,385	5,059	5,995	11,878	989	215,306
Accumulated impairment losses						
At 1 April 2024/31 March 2025	-	37	-	-	-	37
Net carrying amount	82,431	8,427	-	25,949	122	116,929

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

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

BANK 2026	Premises RM'000	Leasehold land RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 April 2025	273,816	13,523	5,995	37,827	1,111	332,272
Additions	39,277	-	-	7,470	540	47,287
Disposal	-	(352)	-	-	-	(352)
Remeasurement	14,827	-	4,218	1,565	-	20,610
Termination	(103,263)	-	-	(1,030)	(1,111)	(105,404)
At 31 March 2026	224,657	13,171	10,213	45,832	540	294,413
Accumulated depreciation						
At 1 April 2025	191,385	5,059	5,995	11,878	989	215,306
Charge for the financial year	20,851	131	820	10,063	137	32,002
Disposal	-	(139)	-	-	-	(139)
Termination	(99,251)	-	-	(978)	(1,111)	(101,340)
At 31 March 2026	112,985	5,051	6,815	20,963	15	145,829
Accumulated impairment losses						
At 1 April 2025	-	37	-	-	-	37
Disposal	-	(37)	-	-	-	(37)
At 31 March 2026	-	-	-	-	-	-
Net carrying amount	111,672	8,120	3,398	24,869	525	148,584

BANK 2025	Premises RM'000	Leasehold land RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost						
At 1 April 2024	268,955	13,523	5,995	15,542	912	304,927
Additions	4,950	-	-	22,154	-	27,104
Remeasurement	(89)	-	-	131	199	241
At 31 March 2025	273,816	13,523	5,995	37,827	1,111	332,272
Accumulated depreciation						
At 1 April 2024	166,084	4,922	5,101	6,953	860	183,920
Charge for the financial year	25,301	137	894	4,925	129	31,386
At 31 March 2025	191,385	5,059	5,995	11,878	989	215,306
Accumulated impairment losses						
At 1 April 2024/31 March 2025	-	37	-	-	-	37
Net carrying amount	82,431	8,427	-	25,949	122	116,929

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

16. PROPERTY, PLANT AND EQUIPMENT

GROUP 2026	Freehold land		Buildings		Renovations		Office equipment and furniture		Computer equipment		Motor vehicles		Total 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	
COST													
At 1 April 2025	1,953	455,389	118,771	61,300	94,089	812	732,314						
Additions	-	59,309	30,248	19,950	41,594	-	151,101						
Transfer	-	-	(542)	(247)	(19)	-	(808)						
Reclassification	130,000	(130,000)	-	-	-	-	-						
Disposals	-	(1,206)	-	-	(4)	-	(1,210)						
Written-off	-	-	(14,869)	(6,381)	(25,083)	(8)	(46,341)						
At 31 March 2026	131,953	383,492	133,608	74,622	110,577	804	835,056						
Accumulated depreciation													
At 1 April 2025	-	14,617	98,021	53,411	74,275	393	240,717						
Charge for the financial year	-	4,638	8,592	3,475	21,130	200	38,035						
Transfer	-	-	(535)	(239)	(13)	-	(787)						
Disposals	-	(449)	-	-	(1)	-	(450)						
Written-off	-	-	(14,077)	(6,291)	(25,080)	(8)	(45,456)						
At 31 March 2026	-	18,806	92,001	50,356	70,311	585	232,059						
Accumulated impairment losses													
At 1 April 2025	-	25	-	-	-	-	25						
Disposal	-	(25)	-	-	-	-	(25)						
At 31 March 2026	-	-	-	-	-	-	-						
Net carrying amount													
	131,953	364,686	41,607	24,266	40,266	219	602,997						

Note:

- The addition on the buildings costs for the financial year has included the progressive payment for Menara Alliance Bank of RM54,061,000.
- Property, plant and equipment (Buildings and Renovations) of the Group include construction in progress of RM6,598,000 which are not depreciated until ready for use.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP 2025	Freehold land RM'000	Buildings RM'000	Renovations RM'000	Office equipment and furniture RM'000		Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost								
At 1 April 2024	1,953	194,887	116,013	59,060	83,613	812	456,338	
Additions	-	260,502	6,494	2,336	10,711	-	280,043	
Transfer	-	-	-	-	-	-	-	
Reclassification	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	
Written-off	-	-	(3,736)	(96)	(235)	-	(4,067)	
At 31 March 2025	1,953	455,389	118,771	61,300	94,089	812	732,314	
Accumulated depreciation								
At 1 April 2024	-	14,022	95,576	50,530	61,899	193	222,220	
Charge for the financial year	-	595	6,181	2,976	12,611	200	22,563	
Transfer	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	
Written-off	-	-	(3,736)	(95)	(235)	-	(4,066)	
At 31 March 2025	-	14,617	98,021	53,411	74,275	393	240,717	
Accumulated impairment losses								
At 1 April 2024/31 March 2025	-	25	-	-	-	-	25	
Net carrying amount								
At 31 March 2025	1,953	440,747	20,750	7,889	19,814	419	491,572	

Note:

- The addition on the buildings costs for the financial year has included the progressive payment for Menara Alliance Bank of RM260,502,000.
- Property, plant and equipment (Buildings and Renovations) of the Group include construction in progress of RM428,892,000 which are not depreciated until ready for use.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

BANK 2026	Freehold land RM'000	Buildings RM'000	Renovations RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
At 1 April 2025	1,953	455,389	118,898	64,876	102,534	891	744,541
Additions	-	59,309	30,158	19,942	41,513	-	150,922
Reclassification	130,000	(130,000)	-	-	-	-	-
Disposals	-	(1,206)	-	-	(4)	-	(1,210)
Written-off	-	-	(14,869)	(6,381)	(25,064)	(8)	(46,322)
At 31 March 2026	131,953	383,492	134,187	78,437	118,979	883	847,931
Accumulated depreciation							
At 1 April 2025	-	14,617	98,134	57,176	82,787	433	253,147
Charge for the financial year	-	4,638	8,584	3,463	21,040	200	37,925
Disposals	-	(449)	-	-	(1)	-	(450)
Written-off	-	-	(14,077)	(6,291)	(25,061)	(8)	(45,437)
At 31 March 2026	-	18,806	92,641	54,348	78,765	625	245,185
Accumulated impairment losses							
At 1 April 2025	-	25	-	-	-	-	25
Disposal	-	(25)	-	-	-	-	(25)
At 31 March 2026	-	-	-	-	-	-	-
Net carrying amount	131,953	364,686	41,546	24,089	40,214	258	602,746

Note:

- The addition on the buildings costs for the financial year has included the progressive payment for Menara Alliance Bank of RM54,061,000.
- Property, plant and equipment (Buildings and Renovations) of the Bank include construction in progress of RM6,598,000 which are not depreciated until ready for use.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

16. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

BANK 2025	Freehold land RM'000	Buildings RM'000	Renovations RM'000	Office equipment and furniture RM'000		Computer equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost								
At 1 April 2024	1,953	194,887	116,140	62,636	92,173	891	468,680	
Additions	-	260,502	6,494	2,336	10,596	-	279,928	
Reclassification	-	-	-	-	-	-	-	
Disposals	-	-	-	-	-	-	-	
Written-off	-	-	(3,736)	(96)	(235)	-	(4,067)	
At 31 March 2025	1,953	455,389	118,898	64,876	102,534	891	744,541	
Accumulated depreciation								
At 1 April 2024	-	14,022	95,700	54,305	70,487	233	234,747	
Charge for the financial year	-	595	6,170	2,966	12,535	200	22,466	
Disposals	-	-	-	-	-	-	-	
Written-off	-	-	(3,736)	(95)	(235)	-	(4,066)	
At 31 March 2025	-	14,617	98,134	57,176	82,787	433	253,147	
Accumulated impairment losses								
At 1 April 2024/31 March 2025	-	25	-	-	-	-	25	
Net carrying amount	1,953	440,747	20,764	7,700	19,747	458	491,369	

Note:

- The addition on the buildings costs for the financial year has included the progressive payment for Menara Alliance Bank of RM260,502,000.
- Property, plant and equipment (Buildings and Renovations) of the Bank include construction in progress of RM428,892,000 which are not depreciated until ready for use.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

17. DEFERRED TAX

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 taxes relate to the same tax authority. The net deferred tax assets and liabilities shown in the statements of financial position after appropriate offsetting are as follows:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deferred tax assets, net	200,552	219,086	133,035	152,643
	200,552	219,086	133,035	152,643

Movements on deferred tax:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 April	219,086	217,253	152,643	153,468
Recognised in statements of income	(7,748)	22,934	(9,953)	18,789
Recognised in equity	(10,786)	(21,101)	(9,655)	(19,614)
At 31 March	200,552	219,086	133,035	152,643

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

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deferred tax assets	244,000	241,118	175,005	174,238
Deferred tax liabilities	(43,448)	(22,032)	(41,970)	(21,595)
	200,552	219,086	133,035	152,643

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

17. DEFERRED TAX (CONT'D)

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

Deferred tax assets/ (liabilities)	Unabsorbed tax losses and capital allowances		Allowance for expected credit losses		Other liabilities		Leases		Financial investments at fair value through other comprehensive income		Property, plant and equipment and intangible assets		Total 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	
GROUP													
At 1 April 2025	31	116,378	115,288	2,440	6,981	(22,032)	219,086						
Recognised in statements of income	-	5,844	4,054	(35)	-	(17,611)	(7,748)						
Recognised in equity	-	-	-	-	(10,786)	-	(10,786)						
At 31 March 2026	31	122,222	119,342	2,405	(3,805)	(39,643)	200,552						
At 1 April 2024	31	106,258	95,844	3,370	28,082	(16,332)	217,253						
Recognised in statements of income	-	10,120	19,444	(930)	-	(5,700)	22,934						
Recognised in equity	-	-	-	-	(21,101)	-	(21,101)						
At 31 March 2025	31	116,378	115,288	2,440	6,981	(22,032)	219,086						
BANK													
At 1 April 2025	-	70,649	94,252	2,473	6,864	(21,595)	152,643						
Recognised in statements of income	-	4,405	3,300	(74)	-	(17,584)	(9,953)						
Recognised in equity	-	-	-	-	(9,655)	-	(9,655)						
At 31 March 2026	-	75,054	97,552	2,399	(2,791)	(39,179)	133,035						
At 1 April 2024	-	64,587	74,967	3,357	26,478	(15,921)	153,468						
Recognised in statements of income	-	6,062	19,285	(884)	-	(5,674)	18,789						
Recognised in equity	-	-	-	-	(19,614)	-	(19,614)						
At 31 March 2025	-	70,649	94,252	2,473	6,864	(21,595)	152,643						

Note:

Other liabilities include provisions and contract liabilities.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

18. INTANGIBLE ASSETS

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
<u>Goodwill</u>				
Cost:				
At 1 April/31 March	301,997	301,997	285,999	285,999
Impairment:				
At 1 April/31 March	16,349	16,349	351	351
Net carrying amount	285,648	285,648	285,648	285,648
<u>Computer software</u>				
Cost:				
At 1 April	621,072	519,556	617,500	516,095
Additions	60,927	101,804	60,415	101,693
Written-off	(51,674)	(288)	(51,674)	(288)
At 31 March	630,325	621,072	626,241	617,500
Accumulated amortisation:				
At 1 April	389,682	342,832	387,763	341,524
Charge for the financial year	55,063	47,056	54,396	46,445
Written-off	(51,534)	(206)	(51,534)	(206)
At 31 March	393,211	389,682	390,625	387,763
Net carrying amount	237,114	231,390	235,616	229,737
Total carrying amount	522,762	517,038	521,264	515,385

Note:

Computer software of the Group and the Bank include work in progress of RM70,829,000 (2025: RM116,873,000 and RM116,609,000) which are not amortised until ready for use.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

18. INTANGIBLE ASSETS (CONT'D)

(a) Impairment test on goodwill

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. Goodwill has been allocated to the Group's cash-generating units ("CGUs") that are expected to benefit from the synergies of the acquisitions, identified according to the business segments as follows:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Consumer banking	101,565	101,565	101,565	101,565
Business banking	100,822	100,822	100,822	100,822
Financial markets	83,261	83,261	83,261	83,261
	285,648	285,648	285,648	285,648

For annual impairment testing purposes, the recoverable amounts of the CGUs, which are reportable business segments, are determined based on their value-in-use. The value-in-use calculation uses pre-tax cash flow projections based on financial budget and business plans approved by the Board of Directors. The key assumptions for the computation of value-in-use include the discount rates, cash flow projection and growth rates applied are as follows:

(i) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the CGUs. The discount rates used in determining the recoverable amount are as follows:

	GROUP	
	2026 %	2025 %
Consumer banking	8.69	8.20
Business banking	8.70	8.22
Financial markets	8.72	8.21

(ii) Cash flow projections and growth rate

Cash flow projections are based on four-year financial budget and business plans approved by the Board of Directors. The cash flow projections are derived based on multiple probability weighted scenarios considering a number of key factors including past performance and the Management's expectation of market developments.

Cash flows beyond the fourth year are extrapolated in perpetuity using terminal growth rate at 4.2% (2025: 3.9%), representing the forecasted Gross Domestic Product ("GDP") growth rate of the country for the CGUs.

The Management is of the view that any reasonable possible changes in the key assumptions would not cause the carrying amount of the goodwill to exceed the recoverable amount of the CGUs.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

19. DEPOSITS FROM CUSTOMERS

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Demand deposits	24,946,458	25,073,745	20,130,656	20,085,712
Savings deposits	1,896,867	1,907,022	1,521,247	1,526,824
Fixed/investment deposits	41,094,066	36,027,072	29,607,877	26,094,424
Money market deposits	2,373,968	2,586,772	1,487,342	1,829,285
Negotiable instruments of deposits	1,300,439	240,343	1,101,015	240,343
	71,611,798	65,834,954	53,848,137	49,776,588

(i) The maturity structure of fixed deposits, money market deposits and negotiable instruments of deposits are as follows:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Due within six months	33,115,659	29,101,409	22,838,862	20,592,810
Six months to one year	11,630,543	9,730,390	9,336,753	7,550,728
One year to three years	20,393	19,734	19,173	18,080
Three years to five years	1,878	2,654	1,446	2,434
	44,768,473	38,854,187	32,196,234	28,164,052

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

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Domestic financial institutions	1,301,151	250,491	1,103,098	251,866
Domestic non-bank financial institutions	3,851,798	4,296,458	2,633,225	3,165,629
Government and statutory bodies	5,724,460	7,431,767	2,970,816	4,996,976
Business enterprises	24,767,247	21,631,908	18,723,981	16,097,154
Individuals	30,912,975	27,780,773	24,279,959	21,581,156
Foreign entities	1,245,677	1,151,065	1,096,059	1,001,110
Others	3,808,490	3,292,492	3,040,999	2,682,697
	71,611,798	65,834,954	53,848,137	49,776,588

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

20. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Licensed banks	895,188	508,197	895,188	508,197
Bank Negara Malaysia	1,716,796	1,546,712	1,462,273	1,336,224
	2,611,984	2,054,909	2,357,461	1,844,421

Note:

Included in deposit and placement by BNM is the government financing scheme received by the Group and the Bank as part of the government support measures in response to the COVID-19 pandemic for the purpose of SME lending at a below market rate.

21. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Structured investments designated at fair value for the Group and the Bank include investments with embedded equity linked options, interest rate index linked options and foreign currency options.

The Group and the Bank designated certain structured investments at fair value through profit or loss. The structured investments are recorded at fair value.

The fair value changes of the structured investments that are attributable to the changes in own credit risk are not significant.

	GROUP/BANK	
	2026 RM'000	2025 RM'000
Structured investments	1,943,995	1,966,126
Fair value changes arising from designation at fair value through profit or loss	(152,065)	(82,666)
	1,791,930	1,883,460

The carrying amount of financial liabilities designated at fair value of the Group and the Bank as at 31 March 2026 was lower than the contractual amount at maturity for the structured investments by RM152,065,000 (2025: RM82,666,000).

22. RECOURSE OBLIGATIONS ON LOANS AND FINANCING SOLD TO CAGAMAS

This relates to proceeds received from housing loans/financing and hire purchase loans/financing sold directly to Cagamas Berhad with recourse to the Group and the Bank. Under the agreement, the Group and the Bank undertake to administer the loans/financing on behalf of Cagamas Berhad and to buy back any loans/financing which are regarded as defective based on pre-determined and agreed upon prudential criteria set by Cagamas Berhad.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

23. LEASE LIABILITIES

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 April	117,124	124,712	117,124	124,712
Additions	46,317	27,104	46,317	27,104
Termination of contracts	(4,064)	-	(4,064)	-
Interest expense	6,259	5,131	6,259	5,131
Lease payment	(35,816)	(40,064)	(35,790)	(40,064)
Remeasurement	20,610	241	20,610	241
At 31 March	150,430	117,124	150,456	117,124

Note:

Short-term lease expenses and low value lease expenses that are not included in lease liabilities for the Group and the Bank are as follows:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Short-term lease expenses (included in establishment expense)	33	36	33	36
Low-value lease expenses (included in establishment expense)	474	506	474	506
Income from subleasing ROU assets	37	86	359	1,031

The Group and the Bank lease premises, office equipment and furniture, computer equipment and motor vehicles. Rental contracts are typically made for the periods ranging from three to five years but may have extension options.

Extension and termination options are included in a number of leases across the Group and the Bank. The Group and the Bank manage the leases and, accordingly, lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Extension and termination options are included, when possible, to provide a greater flexibility after the end of the agreement. The individual terms and conditions used vary across the Group and the Bank. The majority of extension and termination options held are exercisable only by the Group and the Bank and not by the respective lessors.

In cases in which the Group and the Bank are not reasonably certain to exercise an optional extended lease term, payments associated with the optional period are not included within lease liabilities. There are no such instances for both financial years ended 2026 and 2025.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

24. OTHER LIABILITIES

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Other payables	536,864	612,712	515,462	568,417
Bills payable	407,224	267,298	389,179	153,854
Collateral pledged for derivative transactions	35,076	21,056	35,076	21,056
Settlement account	33,016	77,850	33,016	77,850
Clearing account	133,075	162,583	97,616	129,720
Sundry deposits	82,492	72,716	70,021	60,555
Provision and accruals	274,442	247,508	262,869	237,261
Loan advance payment	526,802	496,823	465,328	437,243
Contract liabilities	130,501	130,542	122,843	121,420
Structured investments	347,209	256,278	347,209	256,278
Amounts due to subsidiaries	-	-	-	72,493
Amount due to joint venture	44	79	44	79
Allowance for expected credit losses on commitments and contingencies [Note (a)]	32,562	36,001	26,945	30,047
	2,539,307	2,381,446	2,365,608	2,166,273

Note:

(a) Movements for allowance for expected credit losses on commitments and contingencies are as follows:

GROUP	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
At 1 April 2025	12,509	12,902	10,590	36,001
Transfer to Stage 1	964	(7,792)	(563)	(7,391)
Transfer to Stage 2	(1,745)	14,939	(1,842)	11,352
Transfer to Stage 3	(3)	(1,416)	6,371	4,952
New financial assets originated or purchased	9,158	3,641	22	12,821
Financial assets derecognised other than write-off	(5,977)	(9,484)	(8,235)	(23,696)
Changes due to change in credit risk	(2,027)	742	(104)	(1,389)
Other adjustments	1	(10)	-	(9)
	371	620	(4,351)	(3,360)
Unwinding of discount	-	-	(79)	(79)
Total charge to/(write-back from) statements of income	371	620	(4,430)	(3,439)
At 31 March 2026	12,880	13,522	6,160	32,562

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

24. OTHER LIABILITIES (CONT'D)

(a) Movements for allowance for expected credit losses on commitments and contingencies are as follows: (cont'd)

GROUP	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	10,710	34,305	1,987	47,002
Transfer to Stage 1	3,184	(22,385)	-	(19,201)
Transfer to Stage 2	(2,240)	13,406	(2,533)	8,633
Transfer to Stage 3	(118)	(11,294)	16,831	5,419
New financial assets originated or purchased	7,531	6,041	529	14,101
Financial assets derecognised other than write-off	(5,242)	(9,319)	(5,837)	(20,398)
Changes due to change in credit risk	(1,305)	2,147	(356)	486
Other adjustments	(11)	1	-	(10)
	1,799	(21,403)	8,634	(10,970)
Unwinding of discount	-	-	(31)	(31)
Total charge to/(write-back from) statements of income	1,799	(21,403)	8,603	(11,001)
At 31 March 2025	12,509	12,902	10,590	36,001
BANK				
At 1 April 2025	9,847	10,423	9,777	30,047
Transfer to Stage 1	897	(6,883)	-	(5,986)
Transfer to Stage 2	(1,245)	11,179	(1,400)	8,534
Transfer to Stage 3	(3)	(840)	4,962	4,119
New financial assets originated or purchased	7,057	2,694	23	9,774
Financial assets derecognised other than write-off	(4,958)	(7,522)	(7,634)	(20,114)
Changes due to change in credit risk	(374)	1,151	(115)	662
Other adjustments	2	(11)	-	(9)
	1,376	(232)	(4,164)	(3,020)
Unwinding of discount	-	-	(82)	(82)
Total charge to/(write-back from) statements of income	1,376	(232)	(4,246)	(3,102)
At 31 March 2026	11,223	10,191	5,531	26,945

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

24. OTHER LIABILITIES (CONT'D)

(a) Movements for allowance for expected credit losses on commitments and contingencies are as follows: (cont'd)

BANK	12-Month ECL (Stage 1) RM'000	Lifetime ECL not-credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
At 1 April 2024	8,478	29,734	1,698	39,910
Transfer to Stage 1	2,221	(18,310)	-	(16,089)
Transfer to Stage 2	(1,699)	10,490	(2,283)	6,508
Transfer to Stage 3	(118)	(11,195)	16,184	4,871
New financial assets originated or purchased	5,727	5,442	3	11,172
Financial assets derecognised other than write-off	(4,489)	(8,807)	(5,173)	(18,469)
Changes due to change in credit risk	(265)	3,068	(642)	2,161
Other adjustments	(8)	1	-	(7)
	1,369	(19,311)	8,089	(9,853)
Unwinding of discount	-	-	(10)	(10)
Total charge to/(write-back from) statements of income	1,369	(19,311)	8,079	(9,863)
At 31 March 2025	9,847	10,423	9,777	30,047

Note:

(a) The transfers between stages are inclusive of net remeasurement of allowances.

(b) As at 31 March 2026, the Group's and the Bank's gross exposure of commitments and contingencies that are credit impaired were at RM25,892,000 and RM22,524,000 (2025: RM20,854,000 and RM15,997,000) respectively.

25. OTHER BORROWINGS

	Note	GROUP		BANK	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Senior Medium Term Notes ("Senior MTN")/ Senior Islamic Medium Term Notes ("Senior Islamic MTN")					
RM150 million Senior MTN	(a)	150,638	150,809	150,638	150,809
RM150 million Senior MTN	(b)	150,630	150,801	150,630	150,801
RM200 million Senior Islamic MTN	(c)	200,806	201,034	-	-
		502,074	502,644	301,268	301,610

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

25. OTHER BORROWINGS (CONT'D)

Note:

RM1.5 billion Senior MTN Programme

Issuance Date	Nominal Amount	Maturity Date	Tenure	Discount Rate	Distribution Payment Period
(a) 12 August 2024	RM150 million	12 August 2031	Seven (7) years	4.06% per annum	Payable semi-annually.
(b) 12 August 2024	RM150 million	11 August 2034	Ten (10) years	4.10% per annum	Payable semi-annually.

RM2.5 billion Perpetual Sukuk Programme ("Sukuk Programme")

Issuance Date	Nominal Amount	Maturity Date	Tenure	Discount Rate	Distribution Payment Period
(c) 12 August 2024	RM200 million	10 August 2029	Five (5) years	3.93% per annum	Payable semi-annually.

As at 31 March 2026, the carrying value of Senior MTN and Senior Islamic MTN designated as fair value hedge includes accrued interest payable of RM2,644,000 and fair value gain on hedged item of RM570,000.

26. SUBORDINATED OBLIGATIONS

Note	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Subordinated Medium Term Notes ("Sub-MTNs")/ Additional Tier 1 ("AT1") Capital Securities/ AT1 Sukuk Wakalah				
RM400 million Sub-MTNs	-	405,987	-	405,915
RM350 million Sub-MTNs (a)	355,684	355,648	355,684	355,648
RM450 million Sub-MTNs (b)	455,810	457,739	455,810	457,739
RM200 million Sub-MTNs (c)	202,531	-	202,531	-
RM150 million AT1 Capital Securities (d)	152,080	152,057	152,080	152,057
RM100 million AT1 Capital Securities (e)	100,036	100,349	100,036	100,349
RM150 million AT1 Capital Securities (f)	149,466	150,229	149,466	150,229
RM150 million AT1 Capital Securities (g)	149,472	150,239	149,472	150,239
RM200 million AT1 Capital Securities (h)	202,439	-	202,439	-
RM100 million AT1 Sukuk Wakalah (i)	99,741	100,056	-	-
RM100 million Tier 2 Sukuk Murabahah (j)	99,805	-	-	-
	1,967,064	1,872,304	1,767,518	1,772,176

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26. SUBORDINATED OBLIGATIONS (CONT'D)

Note:

RM2.0 billion Sub-MTN Programme

	Issuance Date	Principal	Maturity Date	Call Date	Interest Rate	Interest Payment
(a)	27 October 2020	RM350 million	27 October 2032	27 October 2027	3.80% per annum	Accrued and payable semi-annually in arrears
(b)	27 October 2020	RM450 million	26 October 2035	28 October 2030	4.05% per annum	Accrued and payable semi-annually in arrears
(c)	7 November 2025	RM200 million	7 November 2040	7 November 2035	4.04% per annum	Accrued and payable semi-annually in arrears

RM1.0 billion AT1 Capital Securities Programme ("AT1 Capital Securities Programme")

	Issuance Date	Principal	Maturity Date	Call Date	Interest Rate	Interest Payment
(d)	30 June 2022	RM150 million	Perpetual non- callable five (5) years	30 June 2027	5.50% per annum	Accrued and payable semi-annually in arrears
(e)	8 March 2024	RM100 million	Perpetual non- callable five (5) years	8 March 2029	5.10% per annum	Accrued and payable semi-annually in arrears
(f)	20 September 2024	RM150 million	Perpetual non- callable five (5) years	20 September 2029	4.65% per annum	Accrued and payable semi-annually in arrears
(g)	20 September 2024	RM150 million	Perpetual non- callable seven (7) years	19 September 2031	4.85% per annum	Accrued and payable semi-annually in arrears
(h)	7 November 2025	RM200 million	Perpetual non- callable seven (7) years	5 November 2032	4.18% per annum	Accrued and payable semi-annually in arrears

RM500.0 million Islamic Additional Tier 1 Sukuk Wakalah Programme

	Issuance Date	Principal	Maturity Date	Call Date	Interest Rate	Interest Payment
(i)	29 March 2024	RM100 million	Perpetual non- callable five (5) years	29 March 2029	5.10% per annum	Accrued and payable semi-annually in arrears

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26. SUBORDINATED OBLIGATIONS (CONT'D)

RM800.0 million Tier 2 Subordinated Sukuk Murabahah Programme

	Issuance Date	Principal	Maturity Date	Call Date	Interest Rate	Interest Payment
(j)	20 September 2024	RM100 million	20 September 2034	20 September 2029	4.16% per annum	Accrued and payable semi-annually in arrears

As at 31 March 2026, the carrying value of Sub-MTN and AT1 Capital Securities designated as fair value hedge includes accrued interest payable of RM14,645,000 and fair value gain on hedged item of RM5,773,000.

During the financial year, the Group carried out the following transactions:

- (i) The Group had on 27 October 2025 fully redeemed its existing RM400.0 million Sub-MTN which were issued on 27 October 2020 under RM2.0 billion Sub-MTN Programme.
- (ii) The Group had on 7 November 2025 issued RM200.0 million Sub-MTN in nominal value pursuant to existing RM2.0 billion Sub-MTN Programme.
- (iii) The Group had on 7 November 2025 issued RM200.0 million AT1 Capital Securities in nominal value pursuant to the existing AT1 Capital Securities Programme.

27. SHARE CAPITAL

GROUP/BANK	2026		2025	
	Number of ordinary shares '000	RM'000	Number of ordinary shares '000	RM'000
Ordinary shares issued and fully paid:				
At 1 April	1,548,106	1,548,106	1,548,106	1,548,106
Issued during the financial year	182,117	602,797	-	-
At 31 March	1,730,223	2,150,903	1,548,106	1,548,106

Note:

As at 31 March 2026, the Bank has increased its issued and paid-up capital from 1,548,105,929 to 1,730,223,001 ordinary shares via a rights issue exercise involving 182,117,072 new ordinary shares at RM3.33 per share, for a total consideration of RM602,797,400, after deducting directly attributable expenses of RM3,652,450 which includes non-audit related auditors' remuneration of RM550,000.

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28. RESERVES

	Note	GROUP		BANK	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
<u>Non-distributable:</u>					
Regulatory reserves	(a)	117,173	117,173	117,173	117,173
Capital reserves	(b)	10,018	10,018	-	-
FVOCI reserves	(c)	13,013	(20,967)	9,639	(20,316)
Other reserves					
- Share-based payment reserves	(d)	2,127	-	2,127	-
		142,331	106,224	128,939	96,857
<u>Distributable:</u>					
Retained profits		6,527,632	6,014,117	5,500,955	5,092,252
		6,669,963	6,120,341	5,629,894	5,189,109

Note:

- (a) Regulatory reserves represent the Group's and the Bank's compliance with BNM Revised Policy Documents in Financial Reporting and Financial Reporting for Islamic Banking Institutions effective 1 April 2018 whereby the Bank and its banking subsidiaries must maintain in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.
- (b) Capital reserves are in respect of retained profits capitalised for a bonus issue by a subsidiary.
- (c) FVOCI reserves are the cumulative gains and losses arising on the revaluation of debt instruments measured at FVOCI, net off cumulative gains and losses transferred to statements of income upon disposal and the cumulative allowance for expected credit losses on these investments.
- (d) The share-based payment reserve arose from the Long-term Incentive Plan ("LTIP").

29. INTEREST INCOME

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Loans, advances and financing	2,326,767	2,231,737	2,305,607	2,213,286
Money at call and deposit placements with financial institutions	51,750	117,803	51,751	117,815
Financial investments at fair value through other comprehensive income	377,350	340,209	378,455	342,408
Financial investments at amortised cost	150,496	118,041	156,282	123,826
Investment account placements	-	-	695	-
Others	1,615	4,178	1,615	4,178
	2,907,978	2,811,968	2,894,405	2,801,513
Accretion of discount less amortisation of premium (net)	62,477	53,176	62,477	53,176
	2,970,455	2,865,144	2,956,882	2,854,689

Note:

Included in interest income on loans, advances and financing was interest/profit on impaired loans/financing of the Group and the Bank of RM6,074,000 (2025: RM5,829,000).

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30. INTEREST EXPENSE

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deposits and placements of banks and other financial institutions	25,665	27,448	25,665	27,448
Deposits from customers	1,280,488	1,160,345	1,280,641	1,160,717
Recourse obligations on loans and financing sold to Cagamas	20,572	20,531	20,572	20,531
Subordinated obligations	74,011	67,039	74,083	67,158
Lease liabilities	6,259	5,131	6,259	5,131
Obligations on securities sold under repurchase agreements	43,637	98,073	43,637	98,073
Others	35,628	35,450	35,628	35,450
	1,486,260	1,414,017	1,486,485	1,414,508

31. NET INCOME FROM ISLAMIC BANKING BUSINESS

	GROUP	
	2026 RM'000	2025 RM'000
Income derived from investment of depositors' funds and others	991,047	945,947
Income derived from investment of Islamic Banking funds	90,416	83,358
Income derived from investment of investment account funds	789	-
Income attributable to the depositors and financial institutions	(499,867)	(482,227)
	582,385	547,078

Note:

- (i) Net income from Islamic banking business comprises income generated from AISB, a wholly-owned subsidiary of the Bank.
- (ii) Profit distributed to investment account holder is eliminated at the Group level.

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32. OTHER OPERATING INCOME

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(a) <u>Fee and commission income:</u>				
Commissions	128,791	122,801	128,791	122,801
Service charges and fees	26,374	28,057	26,087	27,841
Guarantee fees	15,470	16,302	15,470	16,302
Processing fees	14,419	13,991	14,419	13,991
Commitment fees	16,825	16,936	16,825	16,936
Cards related income	74,807	63,537	74,807	63,537
Other fee income	10,881	9,214	10,881	9,214
	287,567	270,838	287,280	270,622
(b) <u>Fee and commission expense:</u>				
Commissions expense	(18,744)	(19,578)	(18,744)	(19,578)
Service charges and fees expense	(3,144)	(2,826)	(3,144)	(2,826)
Brokerage fees expense	(228)	(185)	(228)	(185)
Guarantee fees expense	(17,787)	(20,634)	(17,787)	(20,634)
Cards related expense	(96,078)	(114,319)	(96,078)	(114,319)
	(135,981)	(157,542)	(135,981)	(157,542)
(c) <u>Investment income:</u>				
Realised gain/(loss) arising from sale/redemption of:				
- Financial assets at fair value through profit or loss	23,346	19,817	23,346	19,817
- Financial investments at fair value through other comprehensive income	19,856	(13,770)	19,856	(13,770)
- Derivative instruments	168,604	100,449	168,604	100,449
Marked-to-market revaluation gain/(loss):				
- Financial assets at fair value through profit or loss	41,124	31,188	41,124	31,188
- Derivative instruments	(204,814)	(70,774)	(204,021)	(70,774)
- Financial liabilities designated at fair value through profit or loss	69,399	(451)	69,399	(451)
Unrealised gain arising from hedging activities	5,542	-	5,542	-
Gross dividend income from:				
- Financial assets at fair value through profit or loss	3,216	1,357	3,216	1,357
- Subsidiaries	-	-	92,198	93,582
	126,273	67,816	219,264	161,398
(d) <u>Other income:</u>				
Foreign exchange gain	109,903	67,315	109,903	67,315
Rental income	486	86	1,451	1,031
Gain on disposal of property, plant and equipment	1,163	34	1,163	34
Others	10,233	23,187	12,786	27,141
	121,785	90,622	125,303	95,521
Total other operating income	399,644	271,734	495,866	369,999

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33. OTHER OPERATING EXPENSES

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
<u>Personnel costs</u>				
- Salaries, allowances and bonuses	575,917	541,590	441,201	421,003
- Contribution to EPF	94,706	86,270	73,759	67,619
- Share-based payment expenses under LTIP	2,127	-	1,992	-
- Others	63,840	56,635	50,077	45,630
	736,590	684,495	567,029	534,252

Note:

LTIP was implemented by the Bank on 23 October 2025, in the form of a share issuance scheme and a share grant scheme ("LTIP shares") to eligible employees of the Group. The awarded shares will be vested in stages at predetermined dates subject to performance conditions as provided in LTIP By-Laws.

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
<u>Establishment costs</u>				
- Depreciation of property, plant and equipment	38,035	22,563	37,925	22,466
- Depreciation of right-of-use assets	32,002	31,386	32,002	31,386
- Amortisation of computer software	55,063	47,056	54,396	46,445
- Rental of premises	3,394	660	626	562
- Water and electricity	7,961	6,993	6,796	5,516
- Repairs and maintenance	11,820	10,668	10,922	8,736
- Information technology expenses	139,890	123,638	99,018	88,721
- Others	11,284	14,348	9,527	11,681
	299,449	257,312	251,212	215,513
<u>Marketing expenses</u>				
- Promotion and advertisement	34,603	39,073	29,723	35,889
- Branding and publicity	11,909	10,757	7,881	6,531
- Others	14,012	12,251	12,589	11,083
	60,524	62,081	50,193	53,503
<u>Administration and general expenses</u>				
- Communication expenses	11,743	11,932	9,538	10,107
- Printing and stationery	1,880	1,818	1,496	1,374
- Insurance	16,469	13,245	13,500	10,759
- Professional fees	31,782	31,982	21,532	20,498
- Others	22,983	25,634	23,430	16,656
	84,857	84,611	69,496	59,394
Total other operating expenses	1,181,420	1,088,499	937,930	862,662

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33. OTHER OPERATING EXPENSES (CONT'D)

Included in the other operating expenses are the following:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Auditors' remuneration:				
- Statutory audit fees	1,965	1,758	1,732	1,498
- Audit related fees	313	487	258	393
- Tax compliance fees	76	75	61	61
- Tax related services	104	73	102	37
- Non-audit related services	620	-	620	-
Hire of equipment	2,049	1,947	2,049	1,947
Property, plant and equipment written-off	885	1	885	1
Computer software written-off	140	82	140	82

34. ALLOWANCE FOR EXPECTED CREDIT LOSSES ON LOANS, ADVANCES AND FINANCING AND OTHER FINANCIAL ASSETS

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Allowance for/(write-back of) expected credit losses:				
(a) Loans, advances and financing	255,485	233,956	152,255	137,588
(b) Commitments and contingencies on loans, advances and financing	(3,360)	(10,970)	(3,020)	(9,853)
(c) Other assets	14,577	4,886	10,295	5,269
(d) Cash and short-term funds	(36)	(83)	(36)	(83)
(e) Deposits and placements with banks and other financial institutions	(16)	16	(16)	16
	266,650	227,805	159,478	132,937
(f) Credit impaired loans, advances and financing				
- Recovered during the financial year	(89,960)	(99,516)	(57,785)	(65,866)
- Written-off during the financial year	40,621	59,658	23,324	38,193
	217,311	187,947	125,017	105,264

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35. ALLOWANCE FOR EXPECTED CREDIT LOSSES ON FINANCIAL INVESTMENTS

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(Write-back of)/allowance for expected credit losses:				
(a) Financial investments at fair value through other comprehensive income	(176)	99	(619)	596
(b) Financial investments at amortised cost	247	516	91	401
Bad debt recovered	(609)	-	(609)	-
	(538)	615	(1,137)	997

36. TAXATION AND ZAKAT

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Income tax:	233,227	264,387	170,413	206,765
Current financial year	253,994	270,857	189,947	203,908
Real property gains tax	7	-	7	-
(Over)/under provision in prior years	(20,774)	(6,470)	(19,541)	2,857
Deferred tax (Note 17):	7,748	(22,934)	9,953	(18,789)
Current financial year	7,117	(26,529)	9,322	(22,337)
Under provision in prior years	631	3,595	631	3,548
Tax expense for the financial year	240,975	241,453	180,366	187,976
Zakat	586	746	-	-
	241,561	242,199	180,366	187,976

Income tax for the current financial year is calculated at the Malaysian statutory tax rate of 24% on the estimated assessable profit for the financial year. For Year of Assessment ("YA") 2026, income tax rate is at 24% (2025: 24%).

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36. TAXATION AND ZAKAT (CONT'D)

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

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Profit before taxation	1,068,086	992,925	904,453	841,257
Taxation at Malaysian Statutory Tax Rate of 24% (2025: 24%)	256,341	238,302	217,069	201,902
Income not subject to tax	(10,617)	(7,302)	(31,782)	(30,659)
Expenses not deductible for tax purposes	15,387	13,328	13,982	10,328
Real property gains tax	7	-	7	-
(Over)/under provision of tax expense in prior years	(20,143)	(2,875)	(18,910)	6,405
Tax expense for the financial year	240,975	241,453	180,366	187,976

37. EARNINGS PER SHARE**(a) Basic**

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the financial year.

	GROUP		BANK	
	2026	2025	2026	2025
Profit for the year attributable to equity holders of the Bank (RM'000)	826,525	750,726	724,087	653,281
Weighted average numbers of ordinary shares in issue ('000)	1,677,833	1,548,106	1,677,833	1,548,106
Basic earnings per share (sen)	49.3	48.5	43.2	42.2

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to equity holders of the Bank and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares (non-cumulative).

There were no dilutive potential ordinary shares outstanding as at 31 March 2026 and 31 March 2025 respectively. As a result, the dilutive earnings per share was equal to basic earnings per share for the financial year ended 31 March 2026 and 31 March 2025.

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38. DIVIDENDS

	Dividend recognised during the financial year			
	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
First interim dividend				
9.50 sen per share, on 1,548,105,929 ordinary shares, declared in financial year ended 31 March 2025, was paid on 30 December 2024 to the shareholders	-	147,070	-	147,070
9.37 sen per share, on 1,730,223,001 ordinary shares, declared in financial year ended 31 March 2026, was paid on 30 December 2025 to the shareholders	162,122	-	162,122	-
Second interim dividend				
11.45 sen per share, on 1,548,105,929 ordinary shares, declared in financial year ended 31 March 2024, was paid on 28 June 2024 to the shareholders	-	177,258	-	177,258
9.90 sen per share, on 1,548,105,929 ordinary shares, declared in financial year ended 31 March 2025, was paid on 26 June 2025 to the shareholders	153,262	-	153,262	-
	315,384	324,328	315,384	324,328

Subsequent to the financial year end, the Directors declared a single tier second interim dividend of 9.74 sen per share, on 1,730,223,001 ordinary shares amounting to approximately RM168,506,000 in respect of the current financial year. The accompanying financial statements do not reflect this dividend. The dividend will be accounted for in shareholders' equity as an appropriation of retained profits in the financial year ending 31 March 2027.

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39. INTEREST RATE BENCHMARK REFORM

Interest Rate Benchmark Reform: KLIBOR Transition to MYOR/MYOR-i

BNM announced a phased transition from KLIBOR to MYOR and MYOR-i on 16 October 2025. The key timelines for the transition is as below:

- (a) 1 October 2026 - Industry stakeholders to complete operational readiness to offer MYOR and MYOR-i referenced products.
- (b) 1 July 2027 - KLIBOR cessation for new trades across all products. MYOR and MYOR-i are used for all new trades.
- (c) 30 June 2028 - All legacy KLIBOR-based contracts are to be converted to MYOR/MYOR-i contracts, where possible: remaining contract to incorporate fall back provisions.
- (d) 1 January 2029 - Full cessation of KLIBOR.

The following table shows the total amount of non-derivative financial assets and liabilities and derivative financial instruments that have yet to transition to an alternative benchmark rate as at 31 March 2026:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
KLIBOR				
Gross carrying amount				
Financial investments at amortised cost	949,071	393,026	698,870	393,026
Loans, advances and financing	105,438	23,150	14,410	23,150
Recourse obligations on loans and financing sold to Cagamas	100,654	-	100,654	-
Non-derivative financial assets and liabilities	1,155,163	416,176	813,934	416,176
Notional amount				
Derivative financial assets				
- Interest rate swaps	18,000,980	10,401,960	18,400,980	10,401,960
- Currency swaps	44,740	44,740	44,740	44,740
	18,045,720	10,446,700	18,445,720	10,446,700
Derivative financial liabilities				
- Interest rate swaps	18,532,460	11,365,300	18,532,460	11,365,300
- Currency swaps	-	126,720	-	126,720
	18,532,460	11,492,020	18,532,460	11,492,020

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40. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are the Group's and the Bank's other significant related party transactions and balances:

The related parties of, and their relationship with, the Group and the Bank are as follows:

Relationship	Related parties
- Key management personnel	Key management personnel refer to those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Bank, directly or indirectly, including Executive Directors and Non-Executive Directors of the Group and the Bank (including close members of their families). Other members of key management personnel of the Group and the Bank are the Business Support Heads who report directly to Group Chief Executive Officer or to the Board Committees (including close members of their families).
- Substantial shareholders	Substantial shareholders refer to those entities or persons having significant voting power in the Group and/or the Bank, directly or indirectly. It resides with certain Directors of the Group and/or the Bank.
- Subsidiaries	Subsidiaries of the Bank as disclosed in Note 13.
- Joint venture	Joint venture of the Bank as disclosed in Note 14.

Significant related party transactions and balances as follows:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(a) <u>Transactions</u>				
Interest income				
- subsidiaries	-	-	7,587	7,996
- key management personnel	70	55	70	55
Interest rate swaps				
- subsidiaries	-	-	793	-
Dividend income				
- subsidiaries	-	-	92,198	93,583
Management fees				
- subsidiaries	-	-	286	217
Rental income				
- subsidiaries	-	-	1,148	1,114
- joint venture	52	86	52	86
Other income				
- subsidiaries	-	-	2,370	3,800
- joint venture	55	33	55	33

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

Significant related party transactions and balances as follows: (cont'd)

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(a) <u>Transactions (cont'd)</u>				
Other operating income recharged				
- subsidiaries	-	-	186,164	174,969
- joint venture	107	108	107	108
Interest expenses				
- subsidiaries	-	-	(152)	(372)
- joint venture	(63)	(61)	(63)	(61)
- key management personnel	(396)	(491)	(323)	(339)
- substantial shareholders	(3)	(2)	(3)	(2)
Other operating expenses				
- subsidiaries	-	-	-	-
- joint venture/other related company	(2,413)	(2,222)	(2,413)	(2,222)
Commission paid				
- subsidiaries	-	-	(8,035)	(29,182)
(b) <u>Balances</u>				
Financial investments at fair value through other comprehensive income				
- subsidiaries	-	-	-	99,424
Financial investments at amortised cost				
- subsidiaries	-	-	361,775	352,552
Investment account placements				
- subsidiaries	-	-	150,695	-
Investment in subsidiaries [Note (a)]				
- subsidiaries	-	-	135	-
Deposits from customers				
- subsidiaries	-	-	(11,204)	(19,531)
- joint venture	(2,633)	(2,468)	(2,633)	(3,649)
- key management personnel	(19,338)	(12,077)	(15,608)	(8,594)
- substantial shareholders	(490)	(599)	(490)	(599)

Note:

- (a) Being capital contribution arising from LTIP which was implemented by the Bank in 23 October 2025, that granted to the Bank's subsidiaries' employees.

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

Significant related party transactions and balances as follows: (cont'd)

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(b) <u>Balances (cont'd)</u>				
Loans, advances and financing				
- key management personnel	18,185	3,286	16,837	1,751
Other assets				
- subsidiaries	-	-	216,554	1,750
- joint venture	-	-	-	-
Financial liabilities designated at fair value through profit or loss				
- key management personnel	(463)	(710)	(463)	(710)
Derivative assets/(liabilities)				
- subsidiaries	-	-	793	-
Other liabilities				
- subsidiaries	-	-	(6,647)	(68,213)
- joint venture	(44)	(79)	(44)	(79)
(c) <u>Compensation of key management personnel</u>				
Remuneration of Chief Executive Officers ("CEOs"), Non-Executive Directors and other members of key management excluding past Non-Executive Directors for the financial year are as follows:				
CEOs and other Key Management Personnel:				
- Salary and other remuneration	33,783	28,657	32,060	27,044
- Contribution to EPF	4,688	3,874	4,446	3,648
- Benefits-in-kind	52	47	52	46
- Share-based payment expenses under LTIP	1,163	-	1,112	-
	39,686	32,578	37,670	30,738
Non-Executive Directors:				
- Fees payable	3,753	2,810	2,853	2,110
- Allowances	1,191	1,152	994	875
- Benefits-in-kind	81	37	81	37
	5,025	3,999	3,928	3,022
Included in the total key management personnel compensation are:				
CEOs and Non-Executive Directors' remuneration, excluding past Non-Executive Directors (Note 43)	17,548	14,112	14,436	11,295

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AS AT 31 MARCH 2026

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

Significant related party transactions and balances as follows: (cont'd)

(c) Compensation of key management personnel (cont'd)

Total value of remuneration and number of officers with variable remuneration for the financial year are as follow:

Group	2026				2025			
	Number	Unrestricted RM'000	Number	Deferred RM'000	Number	Unrestricted RM'000	Number	Deferred RM'000
<u>Fixed remuneration</u>								
Cash		26,773		-		23,086		-
<u>Variable remuneration</u>								
Share-based		-	15	1,163		-		-
Cash	2	13,159	15	3,616	16	10,699	13	2,792
		39,932		4,779		33,785		2,792
Bank								
<u>Fixed remuneration</u>								
Cash		24,508		-		20,992		-
<u>Variable remuneration</u>								
Share-based		-	14	1,112		-		-
Cash	2	12,537	14	3,441	15	10,157	12	2,611
		37,045		4,553		31,149		2,611

The number of LTIP shares awarded to key management personnel are as follows:

	GROUP		BANK	
	2026 '000	2025 '000	2026 '000	2025 '000
At 1 April 2025	-	-	-	-
Awarded	1,624	-	1,554	-
Exercised	-	-	-	-
Expired/forfeited	-	-	-	-
At 31 March 2026	1,624	-	1,554	-

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41. CREDIT TRANSACTIONS AND EXPOSURES WITH CONNECTED PARTIES

	BANK	
	2026 RM'000	2025 RM'000
Outstanding credit exposures with connected parties	350,940	417,225
of which:		
Total credit exposure which is impaired or in default	-	-
Total credit exposures	78,505,820	72,706,206
Percentage of outstanding credit exposures to connected parties		
- as a proportion of total credit exposures	0.45%	0.57%
- which is impaired or in default	0.00%	0.00%

The disclosure on Credit Transactions and Exposures with Connected Parties above is presented in accordance with paragraph 9.1 of BNM's Guidelines on Credit Transactions and Exposures with Connected Parties, which became effective on 1 January 2008.

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

- (i) Directors of the Bank and their close relatives;
- (ii) Controlling shareholder and his or her close relatives;
- (iii) Executive officer, being a member of management having authority and responsibility for planning, directing and/or controlling the activities of the Bank, and his or her close relatives;
- (iv) Officers who are responsible for or have the authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually, and their close relatives;
- (v) Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (iv) above, or in which they have an interest, as a director, partner, executive officer, agent or guarantor, and their subsidiaries or entities controlled by them;
- (vi) Any person for whom the persons listed in (i) to (iv) above is a guarantor; and
- (vii) Subsidiary of or an entity controlled by the Bank and its connected parties.

Credit transactions and exposures to connected parties as disclosed above includes the extension of credit facilities and/or off-balance sheet credit exposures such as guarantees, trade-related facilities and loan commitments. It also includes holdings of equities and private debt securities issued by the connected parties.

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42. EMPLOYEE BENEFITS

Long-term Incentive Plan

The Group and the Bank implemented a Long-term Incentive Plan (“LTIP”) on 23 October 2025, which was approved by the shareholders at its Extraordinary General Meeting held on 30 July 2025. The LTIP is governed by the LTIP By-Laws and is administered by the Long-term Incentive Plan Committee (“LTIP Committee”).

The LTIP is intended to attract, retain, motivate and reward the Eligible Employees as defined in the LTIP By-Laws through the award of ABMB Shares that will be vested to them upon meeting certain performance conditions and any other vesting conditions as may be determined by the LTIP Committee in its sole and absolute discretion.

The LTIP, which is valid for ten years from the effective date of 23 October 2025, will be implemented in the form of a share issuance scheme and a share grant scheme (“LTIP shares”). The LTIP shares may be settled through issuance new shares or transfer of existing shares, or other modes of settlement as provided in the By-Laws.

(i) Details of LTIP shares awarded:

Award date	Fair value RM	Number of shares awarded '000	Vesting Date *
29 October 2025 - First Grant	3.98	2,971	30 June 2028

* Subject to performance conditions

The following table indicates the number and movement of LTIP shares during the financial year ended 31 March 2026:

Award Date	Outstanding as at 1 April 2025 '000	Movement during the year			Outstanding as at 31 March 2026 '000
	Awarded '000	Exercised '000	Expired/ Forfeited '000	'000	
29 October 2025 - First Grant	-	2,971	-	-	2,971

The fair value of LTIP shares awarded was estimated by an external valuer using the Monte-Carlo Simulation model, taking into account the terms and conditions upon which the LTIP shares were awarded. The fair value of LTIP shares measured, closing share price at grant date and the assumptions were as follows:

	Award Date 29 October 2025 First grant
Fair value of LTIP shares (RM)	3.98
Closing share price at award date (RM)	4.46
Expected volatility (%)	19.3
Vesting period (years)	2.67
Risk-free rate (%)	3.28
Expected dividend yield (%)	5.31

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

43. CEOs AND DIRECTORS' REMUNERATION

Remuneration in aggregate for CEOs/Directors charged to the statements of income for the year are as follows:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Chief Executive Officers:				
- Salary and other remuneration	5,675	4,938	4,573	3,867
- Bonuses	4,802	3,922	4,180	3,380
- Contribution to EPF	1,413	1,217	1,172	991
- Benefits-in-kind	35	36	35	35
- Share-based payment expenses under LTIP	598	-	548	-
	12,523	10,113	10,508	8,273
Non-Executive Directors:				
- Fees payable	3,753	2,810	2,853	2,110
- Allowances	1,191	1,152	994	875
- Benefits-in-kind	81	37	81	37
	5,025	3,999	3,928	3,022
	17,548	14,112	14,436	11,295
Past Non-Executive Directors:				
- Fees payable	167	324	96	328
- Allowances	85	118	45	136
- Benefits-in-kind	-	115	-	115
	252	557	141	579
	17,800	14,669	14,577	11,874
Total CEOs and Directors' remuneration excluding benefits-in-kind	17,684	14,481	14,461	11,687

Note:

- (a) Other than Directors' fees and allowances, there were no amount paid or payable for services rendered by any Directors of the Group and the Bank during the financial year.
- (b) The Directors of the Group and the Bank are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their capacity as Directors of the Group and the Bank, provided that such Director has not acted negligently, fraudulently or dishonestly, or is in breach of his or her duty of trust. The total apportioned amounts of insurance effected for the Group and the Bank were at RM126,000 and RM124,000 (2025: RM118,000 and RM116,000) respectively.

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AS AT 31 MARCH 2026

43. CEOs AND DIRECTORS' REMUNERATION (CONT'D)

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

GROUP 2026	Salary and other remuneration RM'000	Bonuses RM'000	Contribution to EPF RM'000	Fees payable RM'000	Allowances RM'000	Benefits- in-kind RM'000	Total RM'000
<u>Chief Executive Officers:</u>							
Kellee Kam Chee Khiong *	5,121	4,180	1,172	-	-	35	10,508
Rizal IL-Ehzan Bin Fadil Azim **	1,152	622	241	-	-	-	2,015
	6,273	4,802	1,413	-	-	35	12,523
<u>Non-Executive Directors:</u>							
Tan Sri Amirsham Bin A Aziz	-	-	-	445	73	81	599
Wong Yuen Weng Ernest	-	-	-	290	108	-	398
Susan Yuen Su Min	-	-	-	310	93	-	403
Lum Piew	-	-	-	290	108	-	398
Cheryl Khor Hui Peng	-	-	-	315	118	-	433
Chia Yew Hock Wilson	-	-	-	360	150	-	510
Dr. John Lee Hin Hock	-	-	-	415	144	-	559
Oong Kee Leong	-	-	-	408	149	-	557
Lily Rozita Binti Mohamad Khairi	-	-	-	270	105	-	375
Datuk Wan Azhar Bin Wan Ahmad	-	-	-	230	32	-	262
Dato' Ahmad Hisham Bin Kamaruddin	-	-	-	170	45	-	215
Rustam Bin Mohd Idris	-	-	-	125	33	-	158
Mia Idora Binti Ismail	-	-	-	125	33	-	158
	-	-	-	3,753	1,191	81	5,025
<u>Past Non-Executive Directors:</u>							
Tan Chian Khong	-	-	-	96	45	-	141
Ibrahim Bin Hassan	-	-	-	71	40	-	111
	-	-	-	167	85	-	252
Total CEOs and Directors' remuneration	6,273	4,802	1,413	3,920	1,276	116	17,800

* Compensation shown in the table includes RM 548,000 of share-based payment expenses under LTIP.

** Compensation shown in the table includes RM 50,000 of share-based payment expenses under LTIP.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

43. CEOs AND DIRECTORS' REMUNERATION (CONT'D)

The total remuneration (including benefits-in-kind) of the CEOs and Directors of the Group and the Bank are as follows: (cont'd)

GROUP 2025	Salary and other remuneration		Bonuses	Contribution to EPF	Fees payable	Allowances	Benefits- in-kind	Total
	RM'000	RM'000						
<u>Chief Executive Officers:</u>								
Kellee Kam Chee Khiong	3,867	3,380	991	-	-	-	35	8,273
Rizal IL-Ehzon Bin Fadil Azim	1,071	542	226	-	-	-	1	1,840
	4,938	3,922	1,217	-	-	-	36	10,113
<u>Non-Executive Directors:</u>								
Tan Sri Amirsham Bin A Aziz	-	-	-	173	28	-	37	238
Wong Yuen Weng Ernest	-	-	-	235	105	-	-	340
Tan Chian Khong	-	-	-	235	97	-	-	332
Susan Yuen Su Min	-	-	-	250	92	-	-	342
Lum Piew	-	-	-	235	110	-	-	345
Cheryl Khor Hui Peng	-	-	-	255	120	-	-	375
Chia Yew Hock Wilson	-	-	-	290	152	-	-	442
Dr. John Lee Hin Hock	-	-	-	335	125	-	-	460
Oong Kee Leong	-	-	-	137	47	-	-	184
Lily Rozita Binti Mohamad Khairi	-	-	-	74	25	-	-	99
Datuk Wan Azhar Bin Wan Ahmad	-	-	-	204	58	-	-	262
Ibrahim Bin Hassan	-	-	-	135	80	-	-	215
Dato' Ahmad Hisham Bin Kamaruddin	-	-	-	135	60	-	-	195
Rustam Bin Mohd Idris	-	-	-	100	45	-	-	145
Mia Idora Binti Ismail	-	-	-	17	8	-	-	25
	-	-	-	2,810	1,152	-	37	3,999
<u>Past Non-Executive Director:</u>								
Lee Boon Huat	-	-	-	-	13	-	-	13
Tan Sri Dato' Ahmad Bin Mohd Don	-	-	-	149	15	-	115	279
Mazidah Binti Abdul Malik	-	-	-	175	90	-	-	265
	-	-	-	324	118	-	115	557
Total CEOs and Directors' remuneration	4,938	3,922	1,217	3,134	1,270	-	188	14,669

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43. CEOs AND DIRECTORS' REMUNERATION (CONT'D)

The total remuneration (including benefits-in-kind) of the CEOs and Directors of the Group and the Bank are as follows: (cont'd)

BANK 2026	Salary and other remuneration RM'000	Bonuses RM'000	Contribution to EPF RM'000	Fees payable RM'000	Allowances RM'000	Benefits- in-kind RM'000	Total RM'000
<u>Chief Executive Officer:</u>							
Kellee Kam Chee Khiong *	5,121	4,180	1,172	-	-	35	10,508
	5,121	4,180	1,172	-	-	35	10,508
<u>Non-Executive Directors:</u>							
Tan Sri Amirsham Bin A Aziz	-	-	-	445	73	81	599
Wong Yuen Weng Ernest	-	-	-	290	108	-	398
Susan Yuen Su Min	-	-	-	310	93	-	403
Lum Plew	-	-	-	290	108	-	398
Cheryl Khor Hui Peng	-	-	-	315	118	-	433
Chia Yew Hock Wilson	-	-	-	360	150	-	510
Dr John Lee Hin Hock	-	-	-	290	117	-	407
Oong Kee Leong	-	-	-	283	122	-	405
Lily Rozita Binti Mohamad Khairi	-	-	-	270	105	-	375
	-	-	-	2,853	994	81	3,928
<u>Past Non-Executive Directors:</u>							
Tan Chian Khong	-	-	-	96	45	-	141
	-	-	-	96	45	-	141
Total CEO and Directors' remuneration	5,121	4,180	1,172	2,949	1,039	116	14,577

* Compensation shown in the table includes RM 548,000 of share-based payment expenses under LTIP.

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AS AT 31 MARCH 2026

43. CEOs AND DIRECTORS' REMUNERATION (CONT'D)

The total remuneration (including benefits-in-kind) of the CEOs and Directors of the Group and the Bank are as follows: (cont'd)

BANK 2025	Salary and other remuneration RM'000	Bonuses RM'000	Contribution to EPF RM'000	Fees payable RM'000	Allowances RM'000	Benefits- in-kind RM'000	Total RM'000
<i>Chief Executive Officer:</i>							
Kellee Kam Chee Khiong	3,867	3,380	991	-	-	35	8,273
	3,867	3,380	991	-	-	35	8,273
<i>Non-Executive Directors:</i>							
Tan Sri Amirsham Bin A Aziz	-	-	-	173	28	37	238
Wong Yuen Weng Ernest	-	-	-	235	105	-	340
Tan Chian Khong	-	-	-	235	97	-	332
Susan Yuen Su Min	-	-	-	250	92	-	342
Lum Piew	-	-	-	235	110	-	345
Cheryl Khor Hui Peng	-	-	-	255	120	-	375
Chia Yew Hock Wilson	-	-	-	290	152	-	442
Dr John Lee Hin Hock	-	-	-	235	98	-	333
Oong Kee Leong	-	-	-	128	48	-	176
Lily Rozita Binti Mohamad Khairi	-	-	-	74	25	-	99
	-	-	-	2,110	875	37	3,022
<i>Past Non-Executive Directors:</i>							
Datuk Wan Azhar Bin Wan Ahmad	-	-	-	4	18	-	22
Lee Boon Huat	-	-	-	-	13	-	13
Tan Sri Dato' Ahmad Bin Mohd Don	-	-	-	149	15	115	279
Mazidah Binti Abdul Malik	-	-	-	175	90	-	265
	-	-	-	328	136	115	579
Total CEO and Directors' remuneration	3,867	3,380	991	2,438	1,011	187	11,874

NOTES TO THE FINANCIAL STATEMENTS

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44. FINANCIAL RISK MANAGEMENT POLICIES

The Group engages in business activities which entail risk taking and the major types of risk involved includes credit risk, sustainability risk, liquidity risk, market risk, operational risk, technology risk (including cyber risk) and Shariah non-compliance risk.

The Group's risk management is governed by the various risk management frameworks which cover governance, appetite, strategy, policies and processes to manage risks. The objective of risk management is to ensure that the Group conducts business in a responsible manner and to achieve sustainable growth for the Group's balance sheet and capital.

The Group manages risk within clearly defined frameworks and policies that are approved by the Board of Directors. In addition, the Board of Directors of the Group provides independent oversight to ensure that risks are adequately managed through a framework of established controls and reporting processes.

The guidelines and policies adopted by the Group to manage the main risks that arise in the conduct of its business activities are as follows:

(a) Credit Risk

Credit risk is the risk of financial loss resulting from the failure of the Group's borrowers or counterparties to fulfil their contractual obligations to repay their loans or settle commitments.

This arises from loans/financing, advances, investment in securities, amongst others. The amount of credit exposure is represented by the carrying amount of loans/financing, advances and investment securities in the statements of financial position. The lending/financing activities in the Group are guided by the Group's Credit Risk Management Framework, which is aligned with regulatory guidelines and best practices.

Also, credit risk arises from financial transactions with counterparties (including interbank money market activities, derivative instruments used for hedging and debt instruments), of which the amount of credit exposure in respect of these instruments is equal to the carrying amount of these assets in the statements of financial position. This exposure is monitored on an ongoing basis against predetermined counterparty limits.

The credit exposure arising from off-balance sheet activities, i.e. commitments and contingencies is set out in Note 46 to the financial statements.

(i) Maximum exposure to credit risk

The following table presents the Group's and the Bank's maximum exposure to credit risk of on-balance sheet and off-balance sheet financial instruments, before taking into account any collateral held or other credit enhancements and after allowance for expected credit losses, where appropriate.

For on-balance sheet financial assets, the maximum exposure to credit risk equals their carrying amount. For financial guarantees and similar contracts granted, the maximum exposure to credit risk is the maximum amount that would have to be paid if the guarantees were to be called upon. For credit-related commitments and contingencies that are irrevocable over the life of the respective facilities, the maximum exposure to credit risk is the full amount of the credit facilities granted to customers.

NOTES TO THE FINANCIAL STATEMENTS

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44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(i) Maximum exposure to credit risk (cont'd)

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Credit risk exposure: on-balance sheet				
Cash and short-term funds (exclude cash in hand)	2,843,672	4,319,752	2,119,368	3,075,714
Deposits and placements with banks and other financial institutions	802,949	611,989	452,056	257,130
Investment account placements	-	-	150,695	-
Financial assets at fair value through profit or loss (exclude equity securities)	367,400	2,201	367,400	2,201
Financial investments at fair value through other comprehensive income (exclude equity securities)	13,103,870	11,199,615	10,453,938	9,357,867
Financial investments at amortised cost	5,473,468	4,065,023	4,413,375	3,397,964
Derivative financial assets	348,763	151,261	349,556	151,261
Loans, advances and financing (exclude sales commissions and handling fees)	65,840,604	61,224,634	50,226,757	46,970,123
Statutory deposits	673,738	1,276,202	508,754	972,419
Other assets (exclude prepayment)	339,104	203,839	502,250	227,314
	89,793,568	83,054,516	69,544,149	64,411,993
Credit risk exposure: off-balance sheet				
Financial guarantees	588,623	543,482	496,735	455,488
Credit related commitments and contingencies	21,877,840	22,612,471	18,416,666	18,977,897
	22,466,463	23,155,953	18,913,401	19,433,385
Total maximum exposure	112,260,031	106,210,469	88,457,550	83,845,378

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44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(ii) Credit risk concentrations

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic and other conditions. The analysis of credit risk concentration presented below relates only to financial assets subject to credit risk and are based on the industry in which the counterparty is engaged.

GROUP 2026	Government and Central Bank RM'000	Financial, Insurance, Business Services and Real Estate RM'000	Transport, Storage and Communication Services RM'000	Agriculture, Manufacturing, Wholesale and Retail Trade RM'000	Construction RM'000	Household RM'000	Others RM'000	Total RM'000
Cash and short-term funds (exclude cash in hand)	1,307,104	1,536,568	-	-	-	-	-	2,843,672
Deposits and placements with banks and other financial institutions	-	802,949	-	-	-	-	-	802,949
Financial assets at fair value through profit or loss (exclude equity securities)	367,010	77	-	308	5	-	-	367,400
Financial investments at fair value through other comprehensive income (exclude equity securities)	6,130,708	5,343,926	1,122,169	356,508	150,559	-	-	13,103,870
Financial investments at amortised cost	3,079,974	2,093,845	299,649	-	-	-	-	5,473,468
Derivative financial assets	33,234	311,205	-	-	-	-	4,324	348,763
Loans, advances and financing (exclude sales commissions and handling fees)	-	9,903,881	1,040,707	19,126,654	2,533,749	32,551,129	684,484	65,840,604
Statutory deposits	673,738	-	-	-	-	-	-	673,738
Other assets (exclude prepayment)	-	-	-	-	-	-	339,104	339,104
	11,591,768	19,992,451	2,462,525	19,483,470	2,684,313	32,551,129	1,027,912	89,793,568
Financial guarantees	-	171,730	18,938	326,358	55,335	5,440	10,822	588,623
Credit related commitments and contingencies	904,941	2,439,647	232,541	7,262,989	2,191,142	8,498,592	347,988	21,877,840
	904,941	2,611,377	251,479	7,589,347	2,246,477	8,504,032	358,810	22,466,463
Total credit risk	12,496,709	22,603,828	2,714,004	27,072,817	4,930,790	41,055,161	1,386,722	112,260,031

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44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(ii) Credit risk concentrations (cont'd)

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic and other conditions. The analysis of credit risk concentration presented below relates only to financial assets subject to credit risk and are based on the industry in which the counterparty is engaged. (cont'd)

GROUP 2025	Government and Central Bank RM'000	Financial, Insurance, Business Services and Real Estate RM'000	Transport, Storage and Communication Services RM'000	Agriculture, Manufacturing, Wholesale and Retail Trade RM'000	Construction RM'000	Household RM'000	Others RM'000	Total RM'000
Cash and short-term funds (exclude cash in hand)	1,700,468	2,619,284	-	-	-	-	-	4,319,752
Deposits and placements with banks and other financial institutions	-	611,989	-	-	-	-	-	611,989
Financial assets at fair value through profit or loss (exclude equity securities)	844	1,051	-	306	-	-	-	2,201
Financial investments at fair value through other comprehensive income (exclude equity securities)	8,325,761	2,060,331	490,602	267,090	55,831	-	-	11,199,615
Financial investments at amortised cost	3,266,363	645,700	152,960	-	-	-	-	4,065,023
Derivative financial assets	1,045	148,753	-	-	-	-	1,463	151,261
Loans, advances and financing (exclude sales commissions and handling fees)	-	8,798,005	923,719	18,690,007	2,416,120	29,832,500	564,283	61,224,634
Statutory deposits	1,276,202	-	-	-	-	-	-	1,276,202
Other assets (exclude prepayment)	-	-	-	-	-	-	203,839	203,839
	14,570,683	14,885,113	1,567,281	18,957,403	2,471,951	29,832,500	769,585	83,054,516
Financial guarantees	-	124,315	18,104	323,123	63,440	4,818	9,682	543,482
Credit related commitments and contingencies	1,689,046	2,507,898	301,302	7,338,541	1,817,037	8,662,452	296,195	22,612,471
	1,689,046	2,632,213	319,406	7,661,664	1,880,477	8,667,270	305,877	23,155,953
Total credit risk	16,259,729	17,517,326	1,886,687	26,619,067	4,352,428	38,499,770	1,075,462	106,210,469

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(ii) Credit risk concentrations (cont'd)

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic and other conditions. The analysis of credit risk concentration presented below relates only to financial assets subject to credit risk and are based on the industry in which the counterparty is engaged. (cont'd)

BANK 2026	Government and Central Bank RM'000	Financial, Insurance, Business Services and Real Estate RM'000	Transport, Storage and Communication Services RM'000	Agriculture, Manufacturing, Wholesale and Retail Trade RM'000	Construction RM'000	Household RM'000	Others RM'000	Total RM'000
Cash and short-term funds (exclude cash in hand)	1,234,247	885,121	-	-	-	-	-	2,119,368
Deposits and placements with banks and other financial institutions	-	452,056	-	-	-	-	-	452,056
Investment account placements	-	150,695	-	-	-	-	-	150,695
Financial assets at fair value through profit or loss (exclude equity securities)	367,010	77	-	308	5	-	-	367,400
Financial investments at fair value through other comprehensive income (exclude equity securities)	5,348,473	3,838,846	840,283	301,002	125,334	-	-	10,453,938
Financial investments at amortised cost	2,278,306	1,956,738	178,331	-	-	-	-	4,413,375
Derivative financial assets	33,234	311,998	-	-	-	-	4,324	349,556
Loans, advances and financing (exclude sales commissions and handling fees)	-	7,625,619	743,299	13,782,334	1,811,808	25,726,900	536,797	50,226,757
Statutory deposits	508,754	-	-	-	-	-	-	508,754
Other assets (exclude prepayment)	-	5,046	-	-	-	-	497,204	502,250
	9,770,024	15,226,196	1,761,913	14,083,644	1,937,147	25,726,900	1,038,325	69,544,149
Financial guarantees	-	164,211	9,281	256,500	51,122	5,438	10,183	496,735
Credit-related commitments and contingencies	904,941	2,016,239	198,595	5,145,449	1,725,466	8,104,545	321,431	18,416,666
	904,941	2,180,450	207,876	5,401,949	1,776,588	8,109,983	331,614	18,913,401
Total credit risk	10,674,965	17,406,646	1,969,789	19,485,593	3,713,735	33,836,883	1,369,939	88,457,550

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(ii) Credit risk concentrations (cont'd)

A concentration of credit risk exists when a number of counterparties are engaged in similar activities and have similar economic characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic and other conditions. The analysis of credit risk concentration presented below relates only to financial assets subject to credit risk and are based on the industry in which the counterparty is engaged. (cont'd)

BANK 2025	Government and Central Bank RM'000	Financial, Insurance, Business Services and Real Estate RM'000	Transport, Storage and Communication Services RM'000	Agriculture, Manufacturing, Wholesale and Retail Trade RM'000	Construction RM'000	Household RM'000	Others RM'000	Total RM'000
Cash and short-term funds (exclude cash in hand)	1,029,047	2,046,667	-	-	-	-	-	3,075,714
Deposits and placements with banks and other financial institutions	-	257,130	-	-	-	-	-	257,130
Financial assets at fair value through profit or loss (exclude equity securities)	844	1,051	-	306	-	-	-	2,201
Financial investments at fair value through other comprehensive income (exclude equity securities)	7,017,003	1,762,276	362,384	160,373	55,831	-	-	9,357,867
Financial investments at amortised cost	2,469,040	897,268	31,656	-	-	-	-	3,397,964
Derivative financial assets	1,045	148,753	-	-	-	-	1,463	151,261
Loans, advances and financing (exclude sales commissions and handling fees)	-	7,106,619	670,539	13,748,768	1,828,421	23,162,123	453,653	46,970,123
Statutory deposits	972,419	-	-	-	-	-	-	972,419
Other assets (exclude prepayment)	-	5,046	-	-	-	-	222,268	227,314
	11,489,398	12,224,810	1,064,579	13,909,447	1,884,252	23,162,123	677,384	64,411,993
Financial guarantees	-	116,693	8,398	254,892	61,007	4,816	9,682	455,488
Credit related commitments and contingencies	1,689,046	2,059,605	213,055	5,100,224	1,418,212	8,232,226	265,529	18,977,897
	1,689,046	2,176,298	221,453	5,355,116	1,479,219	8,237,042	275,211	19,433,385
Total credit risk	13,178,444	14,401,108	1,286,032	19,264,563	3,363,471	31,399,165	952,595	83,845,378

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(iii) Collateral

The main types of collateral obtained by the Group and the Bank are as follows:

- Where property is provided as collateral, legal charged over the title;
- For hire purchase, ownership rights over the vehicles or equipment financed; and
- For other loans/financing, charges over business assets such as premises, financial/trade receivables, quoted shares, other financial instruments, or deposits.

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Gross loans, advances and financing	67,154,003	62,445,352	51,126,823	47,806,933
Less: Allowance for expected credit losses	(1,313,399)	(1,220,718)	(900,066)	(836,810)
Loans, advances and financing, net of ECL	65,840,604	61,224,634	50,226,757	46,970,123
Percentage of collateral held for loans, advances and financing	73.6%	73.5%	75.9%	75.4%

(iv) Credit risk measurement

The Group and the Bank adopt the following judgements and assumptions on measurement of ECL:

(a) Definition of significant increase in credit risk

The Group and the Bank consider the probability of default upon initial recognition of financial asset and whether there has been a significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Group and the Bank compare the risk of a default occurring on the financial asset as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Bank consider reasonable and supportable forward-looking information that is available.

The following events are taken into consideration during the assessment:

- Contractual payment is in arrears for 30 days or more;
- Significant downgrade of credit rating or internal rating;
- Modified exposure placed under Agensi Kaunseling dan Pengurusan Kredit ("AKPK") status;
- Exposure being monitored under watchlist; or
- Restructured and rescheduled exposure with increase in credit risk.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**(a) Credit Risk (cont'd)****(iv) Credit risk measurement (cont'd)****(b) Definition of credit impaired financial assets (cont'd)**

An exposure is classified as credit impaired when one or more events that have a detrimental impact to the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

Quantitative criteria:

A financial asset is classified as credit impaired when the counterparty fails to make a contractual payment more than 90 days when they fall due.

Qualitative criteria:

- Significant financial difficulty of the issuer or the borrower;
- Breach of contract, such as a default of past due event;
- Concessions have been made by the lender relating to the borrower's financial difficulty;
- Indications that the borrower will enter into bankruptcy/winding up or other financial restructuring;
- Disappearance of an active market for that financial asset; or
- Purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

(c) Measurement of ECL

ECL is measured by three components, i.e. exposure at default, probability of default and loss given default.

Exposure at default ("EAD")

EAD for non-retail portfolio is calculated based upon the contractual amortisation amount up to the point prior to the default event. Repayments are then assumed to cease, with only interest accrued on the outstanding balance from this point. Since the non-retail portfolio contains a variety of products with different interest accrual methods, amortisation types and repayment methods, the approaches employed to calculate EAD vary accordingly.

EAD for retail portfolio is calculated based upon either:

- (i) Simple equation-based calculation approach - where the outstanding balance follows a predictable trend across the amount and tenure;
- (ii) Utilisation curve model - these curves provide a view of percent drawn down at the point of default, expressed as a percentage of the customer credit limit at observation; or
- (iii) Mechanical equation-based approach - which is utilised to forecast monthly default balances as per an amortisation profile and adjusted for different paths to default using an adjustment factor.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**(a) Credit Risk (cont'd)****(iv) Credit risk measurement (cont'd)****(c) Measurement of ECL (cont'd)****Probability at default ("PD")**

A PD is assigned to each risk measure and represents a percentage of the likelihood of default.

For non-retail portfolio, the PD is measured from the internal or external rating of the borrower or issuer to determine the level of default risk.

For retail portfolio, a signature curve approach forecasted the lifetime PD and PD at any given time within the lifetime horizon. This is based upon historic default data using a chain ladder methodology to construct a lifetime default emergence curve.

Loss given default ("LGD")

This is on a time series of probability weighted loss rate relative to the monthly exposure at default where the probabilities and loss rates are estimated by key risk driver segments such as exposure migration status (e.g. loss given cure and loss given charge off), collateral type, and defaulted exposure relative to original exposure amount and months in default.

(d) Forward-looking information

Three economic scenarios using different probability weightage are applied to the ECL:

- Base Case - based upon current economic outlook or forecast;
- Positive Case - based upon a projected optimistic or positive economic outlook or forecast; and
- Negative Case - based upon a projected pessimistic or negative economic outlook or forecast.

The negative case has been assigned with a higher weightage for the ECL as compared to the positive case.

Projection of economic scenario and the probability of each scenario happening in future shall be carried out and shall contain all macroeconomic variables ("MEV") which are applied in the ECL models as they are found to have significant correlation to increase of credit risk via the modelling exercise.

For forward-looking estimates, analysis was carried out to determine how the estimates were affected by macroeconomic trends. Factors such as unemployment rate, consumer price index, house price index, household loan, industrial production index, producer price index, debt-to-GDP and GDP growth rate were analysed to identify the level of correlation with the observed trends. Given the statistically strong correlation, the estimates were adjusted to reflect the macroeconomic trends.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(iv) Credit risk measurement (cont'd)

(d) Forward-looking information (cont'd)

MEV (% Year on Year)	Weighted Average Forecast		
	2028 %	2027 %	2026 %
GDP Growth Rate	4.4	4.2	4.5
Producer Price Index	2.8	3.3	3.9
Consumer Price Index	2.3	1.8	1.7
House Price Index	1.6	1.9	1.8
Industrial Production Index	3.7	3.8	3.4
Household loans (Ratio)	5.9	5.7	5.6
Debt to GDP	122.0	123.5	123.7
Unemployment Rate	3.2	3.1	3.0

(e) Grouping of exposure for ECL measured on collective basis

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

The appropriateness of groupings is monitored and reviewed on a periodic basis.

(f) Modification of financial assets

The Group and the Bank sometimes renegotiate or otherwise modify the contractual cash flows of loans/financing to customers. When this happens, the Group and the Bank assess whether or not the new terms are substantially different to the original terms.

When the modification is not substantial and so does not result in derecognition of the original loans, the Group and the Bank recalculate the gross carrying amount based on the revised cash flow of the financial asset and recognise a modification gain or loss in the statements of income. The new gross carrying amount is recalculated by discounting the modified cash flow at the original effective interest/profit rate. The Group and the Bank monitor the subsequent performance of modified assets. The risk of default of such loans after modification is assessed and compared with the risk under the original terms at initial recognition.

The Group and the Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for six consecutive months or more.

If the terms are substantially different from the original terms, the Group and the Bank derecognise the original financial asset, recognise a new asset and recalculate a new effective interest/profit rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including the purpose of determining whether a significant increase in credit risk 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 debtor being unable to make the originally agreed payments. Differences in the carrying amount are recognised in statements of income as gain or loss on derecognition.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(v) Credit quality

The Group and the Bank assess the credit quality for loans, advances and financing and credit related commitment and contingencies according to the categories below.

Credit quality	Credit grading		Definition
	Scorecard	Customer rating	
Low	Low risk score	1 - 12 (AAA to BB)	Borrower with good capacity to meet financial commitments.
Medium	Medium risk score	13 - 16 (BB- to B-)	Borrower which is in a fairly acceptable capacity to meet financial commitments.
High	High risk score	17 - 19 (CCC+ to CCC-)	Borrower which is in an uncertain capacity to meet financial commitments but has not been impaired.
Unrated	Unrated	Unrated	Borrower which is unrated.
Credit Impaired	Credit Impaired	Credit Impaired	Defaulted, or judgmentally impaired due to lack of capacity to fulfil financial commitments.

Other financial assets are categorised in the following manner:

Credit quality	Credit grading	Definition
Investment graded	AAA to BBB-	Issuer with low risk of defaulting principal or interest payment.
Non-investment graded	Lower than BBB-	Issuer with medium or high risk of defaulting principal or interest payment.
Sovereign/Government-backed	-	Issued or guaranteed by Malaysian government.
Unrated	Unrated	Issuer where rating is unavailable.
Credit Impaired	Credit Impaired	Defaulted.

Other assets are classified based on days-past-due ("DPD") under the simplified model approach.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(v) Credit quality (cont'd)

The following table shows an analysis of the credit quality by stages and the allowance for expected credit losses of the financial assets:

GROUP 2026	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Cash and short-term funds</u> <u>(exclude cash in hand)</u>				
Investment graded	1,536,551	-	-	1,536,551
Non-investment graded	45	-	-	45
Sovereign/Government-backed	1,307,104	-	-	1,307,104
Unrated	-	-	-	-
Gross carrying amount	2,843,700	-	-	2,843,700
Expected credit losses	(28)	-	-	(28)
Net carrying amount	2,843,672	-	-	2,843,672
<u>Deposits and placements with banks</u> <u>and other financial institutions</u>				
Investment graded	802,949	-	-	802,949
Gross carrying amount	802,949	-	-	802,949
Expected credit losses	-	-	-	-
Net carrying amount	802,949	-	-	802,949
<u>Financial investments at fair value</u> <u>through other comprehensive</u> <u>income (exclude equity securities)</u>				
Investment graded	5,274,741	10,439	-	5,285,180
Sovereign/Government-backed	7,818,690	-	-	7,818,690
Gross carrying amount	13,093,431	10,439	-	13,103,870
Expected credit losses [Note]	(910)	(49)	-	(959)
<u>Financial investments at amortised</u> <u>cost</u>				
Sovereign/Government-backed	3,968,141	-	-	3,968,141
Unrated	1,506,923	-	-	1,506,923
Credit impaired	-	-	-	-
Gross carrying amount	5,475,064	-	-	5,475,064
Expected credit losses	(1,596)	-	-	(1,596)
Net carrying amount	5,473,468	-	-	5,473,468

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(v) Credit quality (cont'd)

The following table shows an analysis of the credit quality by stages and the allowance for expected credit losses of the financial assets: (cont'd)

GROUP 2026	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Loans, advances and financing</u>				
Low	44,434,997	358,823	-	44,793,820
Medium	13,103,234	1,210,299	-	14,313,533
High	3,336,877	1,433,598	-	4,770,475
Unrated	1,518,259	591,554	-	2,109,813
Credit impaired	-	-	1,166,362	1,166,362
Gross carrying amount	62,393,367	3,594,274	1,166,362	67,154,003
Expected credit losses	(235,862)	(533,378)	(544,159)	(1,313,399)
Net carrying amount	62,157,505	3,060,896	622,203	65,840,604
<u>Statutory deposits</u>				
Sovereign/Government-backed	673,738	-	-	673,738
Gross carrying amount	673,738	-	-	673,738
Expected credit losses	-	-	-	-
Net carrying amount	673,738	-	-	673,738

Note:

The ECL is recognised in reserves in other comprehensive income instead of in the statements of financial position as the carrying amount of debt instruments at FVOCI is equivalent to fair value.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(v) Credit quality (cont'd)

The following table shows an analysis of the credit quality by stages and the allowance for expected credit losses of the financial assets: (cont'd)

GROUP 2026	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Credit related commitments and contingencies</u>				
Low	17,372,193	336,847	-	17,709,040
Medium	2,823,283	386,964	-	3,210,247
High	577,245	29,387	-	606,632
Unrated	908,125	6,527	-	914,652
Credit impaired	-	-	25,892	25,892
Gross carrying amount	21,680,846	759,725	25,892	22,466,463
Expected credit losses	(12,880)	(13,522)	(6,160)	(32,562)
			More than 90 days past due	Total
Simplified Approach		Current	RM'000	RM'000
<u>Other assets (exclude prepayment)</u>				
Gross carrying amount		337,508	56,028	393,536
Expected credit losses		-	(56,028)	(56,028)
Net carrying amount		337,508	-	337,508

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(v) Credit quality (cont'd)

The following table shows an analysis of the credit quality by stages and the allowance for expected credit losses of the financial assets: (cont'd)

GROUP 2025	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Cash and short-term funds (exclude cash in hand)</u>				
Investment graded	2,619,322	-	-	2,619,322
Non-investment graded	11	-	-	11
Sovereign/Government-backed	1,700,468	-	-	1,700,468
Unrated	15	-	-	15
Gross carrying amount	4,319,816	-	-	4,319,816
Expected credit losses	(64)	-	-	(64)
Net carrying amount	4,319,752	-	-	4,319,752
<u>Deposits and placements with banks and other financial institutions</u>				
Investment graded	612,005	-	-	612,005
Gross carrying amount	612,005	-	-	612,005
Expected credit losses	(16)	-	-	(16)
Net carrying amount	611,989	-	-	611,989
<u>Financial investments at fair value through other comprehensive income (exclude equity securities)</u>				
Investment graded	3,553,670	15,592	-	3,569,262
Sovereign/Government-backed	7,630,353	-	-	7,630,353
Gross carrying amount	11,184,023	15,592	-	11,199,615
Expected credit losses [Note]	(1,073)	(62)	-	(1,135)
<u>Financial investments at amortised cost</u>				
Sovereign/Government-backed	3,512,519	-	-	3,512,519
Unrated	553,319	-	-	553,319
Credit impaired	-	-	534	534
Gross carrying amount	4,065,838	-	534	4,066,372
Expected credit losses	(815)	-	(534)	(1,349)
Net carrying amount	4,065,023	-	-	4,065,023

Note:

The ECL is recognised in reserves in other comprehensive income instead of in the statements of financial position as the carrying amount of debt instruments at FVOCI is equivalent to fair value.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(v) Credit quality (cont'd)

The following table shows an analysis of the credit quality by stages and the allowance for expected credit losses of the financial assets: (cont'd)

GROUP 2025	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Loans, advances and financing</u>				
Low	41,313,345	667,494	-	41,980,839
Medium	12,065,884	1,216,752	-	13,282,636
High	3,250,211	1,199,558	-	4,449,769
Unrated	1,067,218	515,092	-	1,582,310
Credit impaired	-	-	1,149,798	1,149,798
Gross carrying amount	57,696,658	3,598,896	1,149,798	62,445,352
Expected credit losses	(254,740)	(452,887)	(513,091)	(1,220,718)
Net carrying amount	57,441,918	3,146,009	636,707	61,224,634
<u>Statutory deposits</u>				
Sovereign/Government-backed	1,276,202	-	-	1,276,202
Gross/net carrying amount	1,276,202	-	-	1,276,202
<u>Credit related commitments and contingencies</u>				
Low	18,111,669	167,274	-	18,278,943
Medium	3,119,436	388,299	-	3,507,735
High	584,960	38,510	-	623,470
Unrated	720,934	4,017	-	724,951
Credit impaired	-	-	20,854	20,854
Gross carrying amount	22,536,999	598,100	20,854	23,155,953
Expected credit losses	(12,509)	(12,902)	(10,590)	(36,001)
Simplified Approach				
<u>Other assets (exclude prepayment)</u>				
Gross carrying amount		203,839	50,239	254,078
Expected credit losses		-	(50,239)	(50,239)
Net carrying amount		203,839	-	203,839

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(v) Credit quality (cont'd)

The following table shows an analysis of the credit quality by stages and the allowance for expected credit losses of the financial assets: (cont'd)

BANK 2026	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Cash and short-term funds (exclude cash in hand)</u>				
Investment graded	885,104	-	-	885,104
Non-investment graded	45	-	-	45
Sovereign/Government-backed	1,234,247	-	-	1,234,247
Gross carrying amount	2,119,396	-	-	2,119,396
Expected credit losses	(28)	-	-	(28)
Net carrying amount	2,119,368	-	-	2,119,368
<u>Deposits and placements with banks and other financial institutions</u>				
Investment graded	452,056	-	-	452,056
Gross carrying amount	452,056	-	-	452,056
Expected credit losses	-	-	-	-
Net carrying amount	452,056	-	-	452,056
<u>Investment account placements</u>				
Investment graded	150,695	-	-	150,695
Gross carrying amount	150,695	-	-	150,695
Expected credit losses	-	-	-	-
Net carrying amount	150,695	-	-	150,695
<u>Financial investments at fair value through other comprehensive income (exclude equity securities)</u>				
Investment graded	3,819,810	10,439	-	3,830,249
Sovereign/Government-backed	6,623,689	-	-	6,623,689
Gross carrying amount	10,443,499	10,439	-	10,453,938
Expected credit losses [Note]	(755)	(48)	-	(803)
<u>Financial investments at amortised cost</u>				
Investment graded	362,358	-	-	362,358
Sovereign/Government-backed	2,846,348	-	-	2,846,348
Unrated	1,206,598	-	-	1,206,598
Credit impaired	-	-	-	-
Gross carrying amount	4,415,304	-	-	4,415,304
Expected credit losses	(1,929)	-	-	(1,929)
Net carrying amount	4,413,375	-	-	4,413,375

Note:

The ECL is recognised in reserves in other comprehensive income instead of in the statements of financial position as the carrying amount of debt instruments at FVOCI is equivalent to fair value.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(v) Credit quality (cont'd)

The following table shows an analysis of the credit quality by stages and the allowance for expected credit losses of the financial assets: (cont'd)

BANK 2026	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Loans, advances and financing</u>				
Low	35,592,686	282,239	-	35,874,925
Medium	8,882,877	973,071	-	9,855,948
High	2,212,298	932,791	-	3,145,089
Unrated	1,096,232	286,721	-	1,382,953
Credit impaired	-	-	867,908	867,908
Gross carrying amount	47,784,093	2,474,822	867,908	51,126,823
Expected credit losses	(146,403)	(324,137)	(429,526)	(900,066)
Net carrying amount	47,637,690	2,150,685	438,382	50,226,757
<u>Statutory deposits</u>				
Sovereign/Government-backed	508,754	-	-	508,754
Gross carrying amount	508,754	-	-	508,754
Expected credit losses	-	-	-	-
Net carrying amount	508,754	-	-	508,754
<u>Credit related commitments and contingencies</u>				
Low	15,024,396	290,586	-	15,314,982
Medium	1,933,660	290,401	-	2,224,061
High	437,301	17,497	-	454,798
Unrated	890,509	6,527	-	897,036
Credit impaired	-	-	22,524	22,524
Gross carrying amount	18,285,866	605,011	22,524	18,913,401
Expected credit losses	(11,223)	(10,191)	(5,531)	(26,945)

Simplified Approach	Current RM'000	More than 90 days past due RM'000	Total RM'000
<u>Other assets (exclude prepayment)</u>			
Gross carrying amount	500,653	53,129	553,782
Expected credit losses	-	(53,129)	(53,129)
Net carrying amount	500,653	-	500,653

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(v) Credit quality (cont'd)

The following table shows an analysis of the credit quality by stages and the allowance for expected credit losses of the financial assets: (cont'd)

BANK 2026	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Cash and short-term funds (exclude cash in hand)</u>				
Investment graded	2,046,720	-	-	2,046,720
Non-investment graded	11	-	-	11
Sovereign/Government-backed	1,029,047	-	-	1,029,047
Gross carrying amount	3,075,778	-	-	3,075,778
Expected credit losses	(64)	-	-	(64)
Net carrying amount	3,075,714	-	-	3,075,714
<u>Deposits and placements with banks and other financial institutions</u>				
Investment graded	257,146	-	-	257,146
Gross carrying amount	257,146	-	-	257,146
Expected credit losses	(16)	-	-	(16)
Net carrying amount	257,130	-	-	257,130
<u>Financial investments at fair value through other comprehensive income (exclude equity securities)</u>				
Investment graded	2,992,214	10,579	-	3,002,793
Sovereign/Government-backed	6,355,074	-	-	6,355,074
Gross carrying amount	9,347,288	10,579	-	9,357,867
Expected credit losses [Note]	(1,361)	(61)	-	(1,422)
<u>Financial investments at amortised cost</u>				
Investment graded	353,145	-	-	353,145
Sovereign/Government-backed	2,542,879	-	-	2,542,879
Unrated	503,244	-	-	503,244
Credit impaired	-	-	534	534
Gross carrying amount	3,399,268	-	534	3,399,802
Expected credit losses	(1,304)	-	(534)	(1,838)
Net carrying amount	3,397,964	-	-	3,397,964

Note:

The ECL is recognised in reserves in other comprehensive income instead of in the statements of financial position as the carrying amount of debt instruments at FVOCI is equivalent to fair value.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(v) Credit quality (cont'd)

The following table shows an analysis of the credit quality by stages and the allowance for expected credit losses of the financial assets: (cont'd)

BANK 2025	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<u>Loans, advances and financing</u>				
Low	33,046,836	512,869	-	33,559,705
Medium	8,543,555	992,732	-	9,536,287
High	2,161,202	736,615	-	2,897,817
Unrated	692,356	259,183	-	951,539
Credit impaired	-	-	861,585	861,585
Gross carrying amount	44,443,949	2,501,399	861,585	47,806,933
Expected credit losses	(159,037)	(266,133)	(411,640)	(836,810)
Net carrying amount	44,284,912	2,235,266	449,945	46,970,123
<u>Statutory deposits</u>				
Sovereign/Government-backed	972,419	-	-	972,419
Gross/net carrying amount	972,419	-	-	972,419
<u>Credit related commitments and contingencies</u>				
Low	15,638,724	123,717	-	15,762,441
Medium	2,143,487	302,451	-	2,445,938
High	471,069	23,138	-	494,207
Unrated	710,784	4,018	-	714,802
Credit impaired	-	-	15,997	15,997
Gross carrying amount	18,964,064	453,324	15,997	19,433,385
Expected credit losses	(9,847)	(10,423)	(9,777)	(30,047)
Simplified Approach				
<u>Other assets (exclude prepayment)</u>				
Gross carrying amount		227,314	46,938	274,252
Expected credit losses		-	(46,938)	(46,938)
Net carrying amount		227,314	-	227,314

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

(vi) Sensitivity test

The Group and the Bank have performed expected credit losses sensitivity assessment on financial assets based on the changes in key variables as below while all other variables remain unchanged. The sensitivity factors used are assumptions based on parallel shifts in the key variables to project the impact on the expected credit losses of the Group and the Bank.

The table below outlines the effect of the changes in major key variables used on expected credit losses while other variables remain constant:

2026 Measurement variables	MEV Change (%)/ Percentage Point Change (p.p)	GROUP		BANK	
		+	-	+	-
		RM'000	RM'000	RM'000	RM'000
House price index	16.7%	(50,469)	75,416	(33,734)	49,409
Unemployment rate	0.5 p.p	45,046	(50,927)	19,573	(22,309)
Household Loans	3.2 p.p	90,407	(95,879)	62,900	(68,366)
Consumer price index	7.6%	23,481	(24,159)	9,255	(9,570)
Industrial production index	12.1%	(15,889)	14,996	(11,387)	9,885

2025 Measurement variables	MEV Change (%)/ Percentage Point Change (p.p)	GROUP		BANK	
		+	-	+	-
		RM'000	RM'000	RM'000	RM'000
House price index	16.8%	(58,612)	33,211	(32,500)	22,489
Unemployment rate	0.5 p.p	21,777	(63,676)	10,173	(29,338)
Debt to GDP	6.9%	37,058	(79,466)	29,442	(50,199)
Producer price index	5.2%	10,959	(48,069)	12,994	(29,676)
Industrial production index	11.5%	(37,017)	14,243	(24,752)	20,430

(vii) Pre-emptive provisions and post-model adjustments for ECL

The Group and the Bank continued to apply pre-emptive provisions and post-model adjustments to address economic uncertainties and external risks including, but not limited to, international trade trends, supply-chain disruptions, as well as the potential consequences of global geopolitical tensions for the adequacy of the overall level of ECL for the year ended 31 March 2026.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**(a) Credit Risk (cont'd)****(vii) Pre-emptive provisions and post-model adjustments for ECL (cont'd)**

These pre-emptive provisions and post-model adjustments were taken to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact to delinquencies and defaults arising from potential risks.

The pre-emptive provisions and post-model adjustments involved significant level of judgement and reflect the Management's views of possible severities of the emerging risk impacts and paths of recovery in the forward-looking assessment for ECL estimation purposes.

As at 31 March 2026, the balances of these pre-emptive provisions and post-model adjustments amounted to RM184,976,000 and RM103,160,000 for the Group and the Bank respectively (2025: RM154,036,000 and RM87,559,000).

(b) Market Risk

Market risk is the risk of potential losses in earnings arising from systemic risks that cause adverse changes in i.e., interest rates, foreign exchange rates, commodity prices and equity prices, and their implied volatilities.

The Group has established a Market Risk Management framework together with risk policies, measurement methodologies and risk limits as approved by the Group Risk Management Committee ("GRMC") to manage market risk. Market risks arising from the trading activities are monitored and controlled via position limits, loss limits, sensitivity limits and valuation via daily mark-to-market, where available.

The Group is also susceptible to exposure to market risk arising from changes in prices of the shares quoted on Bursa Malaysia. The risk is controlled by application of credit approvals, limits and monitoring procedures.

Market Risk Factors**(i) Interest/profit rate risk**

As a subset of market risk, interest/profit rate risk refers to the volatility in net interest/profit income as a result of changes in interest/profit rate of return and shifts in the composition of the assets and liabilities. Interest/profit rate of return risk is managed through interest/profit rate sensitivity analysis. The sensitivity in net interest/profit income from interest/profit rate movement is monitored and reported to the Management on a regular basis. In addition to pre-scheduled meetings, the Group Assets and Liabilities Management Committee ("GALCO") will also deliberate on revising the Group's and the Bank's lending/financing and deposit rates in response to changes in the benchmark rates set by the central bank.

The effects of changes in the levels of interest/profit rates of return on the market value of securities are monitored closely and mark-to-market valuations are regularly reported to the Management.

The Group and the Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of interest/profit rates on its financial position and cash flows. The effects of changes in the levels of interest/profit rates of return on the market value of securities are monitored regularly and the outcomes of mark-to-market valuations are escalated to the Management regularly. The following table summarises the effective interest/profit rates at the end of the reporting period and the periods in which the financial instruments will re-price or mature, whichever is the earlier.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Market Risk (cont'd)

Market Risk Factors (cont'd)

(i) Interest/profit rate risk (cont'd)

GROUP 2026	Non-trading book						Non- interest/ profit sensitive*	Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-5 years	Over 5 years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Assets									
Cash and short-term funds	2,194,645	-	-	-	-	945,151	-	3,139,796	
Deposits and placements with banks and other financial institutions	-	702,685	100,264	-	-	-	-	802,949	
Financial assets at fair value through profit or loss									
comprehensive income	445,745	549,028	446,510	480,940	5,742,292	5,439,355	10	13,103,880	
Financial investments at amortised cost	1,161,369	250,060	317,937	30,711	1,801,699	1,913,288	(1,596)	5,473,468	
Derivative financial assets	-	-	-	-	-	-	-	348,763	
Loans, advances and financing	58,003,612	1,963,439	791,744	123,591	2,753,396	2,379,213	25,535	66,040,530	
Other financial assets**	1,006	453	791	117	4,523	139	1,005,813	1,012,842	
Total financial assets	61,806,377	3,465,665	1,657,246	635,359	10,301,910	9,731,995	2,312,170	90,626,884	
Liabilities									
Deposits from customers	19,698,082	9,549,610	12,727,507	11,630,542	18,006,057	-	-	71,611,798	
Deposits and placements of banks and other financial institutions	895,187	595,704	2,144	6,066	826,075	286,808	-	2,611,984	
Financial liabilities designated at fair value through profit or loss	536,290	660,813	104,199	473,071	167,053	-	(149,496)	1,791,930	
Obligation on securities sold under repurchase agreements	296,961	561,686	-	-	-	-	-	858,647	
Derivative financial liabilities	-	-	-	-	-	-	-	580,873	
Recourse obligations on loans and financing sold to Cagamas	100,654	-	-	-	401,524	200,870	-	703,048	
Lease liabilities	1,491	4,806	5,110	12,043	58,323	68,657	-	150,430	
Other borrowings	-	-	-	-	200,806	301,268	-	502,074	
Subordinated obligations	-	-	-	-	1,412,622	554,442	-	1,967,064	
Other financial liabilities	314,627	35,405	156	-	134,468	-	1,780,209	2,264,865	
Total financial liabilities	21,843,292	11,408,024	12,839,116	12,121,722	21,206,928	1,412,045	1,780,209	83,042,713	
On-balance sheet interest sensitivity gap	39,963,085	(7,942,359)	(11,181,870)	(11,486,363)	(10,905,018)	8,319,950	531,961	7,584,171	

Note:

* Included impaired loans/financing and ECL.

** Included statutory deposits and other assets.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Market Risk (cont'd)

Market Risk Factors (cont'd)

(i) Interest/profit rate risk (cont'd)

GROUP 2025	Non-trading book						Non- interest/ profit sensitive* RM'000	Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000			
Assets									
Cash and short-term funds	3,956,773	-	-	-	-	-	632,158	-	4,588,931
Deposits and placements with banks and other financial institutions	-	612,005	-	-	-	-	(16)	-	611,989
Financial assets at fair value through profit or loss	-	-	-	-	-	-	303,798	2,201	305,999
Financial investments at fair value through other comprehensive income	30,503	80,719	66,942	213,065	5,997,529	4,810,857	14	-	11,199,629
Financial investments at amortised cost	223,016	250,130	182,192	494,085	1,636,160	1,280,256	(816)	-	4,065,023
Derivative financial assets	-	-	-	-	-	-	-	151,261	151,261
Loans, advances and financing	53,131,235	2,058,287	800,978	196,274	2,617,925	2,515,361	98,488	-	61,418,548
Other financial assets**	-	-	-	887	9,852	216	1,469,086	-	1,480,041
Total financial assets	57,341,527	3,001,141	1,050,112	904,311	10,261,466	8,606,690	2,502,712	153,462	83,821,421
Liabilities									
Deposits from customers	17,949,734	9,355,690	10,699,837	9,730,390	18,099,303	-	-	-	65,834,954
Deposits and placements of banks and other financial institutions	458,387	50,057	1,018	4,532	1,090,128	450,787	-	-	2,054,909
Financial liabilities designated at fair value through profit or loss	447,393	972,675	258,393	204,923	89,677	-	-	(89,601)	1,883,460
Obligation on securities sold under repurchase agreements	1,342,361	382,115	-	-	-	-	-	-	1,724,476
Derivative financial liabilities	-	-	-	-	-	-	-	247,625	247,625
Recourse obligations on loans and financing sold to Cagamas	604,666	100,150	-	-	-	200,830	-	-	905,646
Lease liabilities	2,429	4,461	5,781	14,756	94,518	(4,821)	-	-	117,124
Other borrowings	-	-	-	-	201,034	301,610	-	-	502,644
Subordinated obligations	-	-	-	405,986	858,339	607,979	-	-	1,872,304
Other financial liabilities	256,278	-	-	-	92,658	88,501	1,696,501	-	2,133,938
Total financial liabilities	21,061,248	10,865,148	10,965,029	10,360,587	20,525,657	1,644,886	1,696,501	158,024	77,277,080
On-balance sheet interest sensitivity gap	36,280,279	(7,864,007)	(9,914,917)	(9,456,276)	(10,264,191)	6,961,804	806,211	(4,562)	6,544,341

Note:

* Included impaired loans/financing and ECL.

** Included statutory deposits and other assets.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Market Risk (cont'd)

Market Risk Factors (cont'd)

(i) Interest/profit rate risk (cont'd)

BANK 2026	Non-trading book						Non- interest/ profit sensitive*	Trading book	Total
	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000			
Assets									
Cash and short-term funds	1,535,198	-	-	-	-	-	880,294	-	2,415,492
Deposits and placements with banks and other financial institutions	-	351,792	100,264	-	-	-	-	-	452,056
Investment account placements	-	-	150,695	-	-	-	-	-	150,695
Financial assets at fair value through profit or loss	-	-	-	-	-	-	337,257	367,399	704,656
Financial investments at fair value through other comprehensive income	180,955	314,719	273,769	354,031	4,302,074	5,028,390	10	-	10,453,948
Financial investments at amortised cost	861,046	418,887	267,615	91,800	1,312,871	1,463,085	(1,929)	-	4,413,375
Derivative financial assets	-	-	-	-	-	-	-	349,556	349,556
Loans, advances and financing	45,392,299	1,328,638	537,798	102,552	1,965,359	958,321	107,745	-	50,392,712
Other financial assets**	995	1,615	682	1,527	4,078	57	1,002,050	-	1,011,004
Total financial assets	47,970,493	2,415,651	1,330,823	549,910	7,584,382	7,449,853	2,325,427	716,955	70,343,494
Liabilities									
Deposits from customers	15,626,445	6,930,069	7,429,634	9,336,753	14,525,230	-	6	-	53,848,137
Deposits and placements of banks and other financial institutions	895,187	597,261	1,461	5,648	666,323	191,581	-	-	2,357,461
Financial liabilities designated at fair value through profit or loss	536,290	660,813	104,199	473,071	167,053	-	-	(149,496)	1,791,930
Obligation on securities sold under repurchase agreements	296,961	561,686	-	-	-	-	-	-	858,647
Derivative financial liabilities	-	-	-	-	-	-	-	580,873	580,873
Recourse obligations on loans and financing sold to Cagamas	100,654	-	-	-	401,524	200,870	-	-	703,048
Lease liabilities	1,491	4,806	5,110	12,043	58,323	68,683	-	-	150,456
Other borrowings	-	-	-	-	-	301,268	-	-	301,268
Subordinated obligations	-	-	-	-	1,213,076	554,442	-	-	1,767,518
Other financial liabilities	314,626	35,395	88	-	119,334	-	1,633,296	-	2,102,739
Total financial liabilities	17,771,654	8,790,030	7,540,492	9,827,515	17,150,863	1,316,844	1,633,302	431,377	64,462,077
On-balance sheet interest sensitivity gap	30,198,839	(6,374,379)	(6,209,669)	(9,277,605)	(9,566,481)	6,133,009	692,125	285,578	5,881,417

Note:

* Included impaired loans/financing and ECL.

** Included statutory deposits and other assets.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Market Risk (cont'd)

Market Risk Factors (cont'd)

(i) Interest/profit rate risk (cont'd)

BANK 2025	Non-trading book					Non- interest/ profit sensitive* RM'000	Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000			
Assets								
Cash and short-term funds	2,746,961	-	-	-	-	597,932	-	3,344,893
Deposits and placements with banks and other financial institutions	-	257,146	-	-	-	(16)	-	257,130
Financial assets at fair value through profit or loss	-	-	-	-	-	277,973	28,026	305,999
Financial investments at fair value through other comprehensive income	30,503	69,665	56,883	131,759	4,905,852	14	-	9,357,881
Financial investments at amortised cost	172,941	250,131	172,077	452,946	1,466,663	(1,305)	-	3,397,964
Derivative financial assets	-	-	-	-	-	-	151,261	151,261
Loans, advances and financing	41,695,050	1,450,640	568,317	163,205	1,951,449	169,102	-	47,137,566
Other financial assets**	-	-	-	815	20,705	140	-	1,199,733
Total financial assets	44,645,455	2,027,582	797,277	748,725	8,344,669	2,221,773	179,287	65,152,427
Liabilities								
Deposits from customers	14,135,528	6,578,370	7,012,169	7,550,727	14,499,794	-	-	49,776,588
Deposits and placements of banks and other financial institutions	458,146	50,058	318	2,414	922,270	411,215	-	1,844,421
Financial liabilities designated at fair value through profit or loss	447,393	972,675	258,393	204,923	89,677	-	(89,601)	1,883,460
Obligation on securities sold under repurchase agreements	1,342,361	382,115	-	-	-	-	-	1,724,476
Derivative financial liabilities	-	-	-	-	-	-	247,625	247,625
Recourse obligations on loans and financing sold to Cagamas	403,266	-	-	-	-	200,830	-	604,096
Lease liabilities	2,429	4,461	5,781	14,756	94,518	(4,821)	-	117,124
Other borrowings	-	-	-	-	-	301,610	-	301,610
Subordinated obligations	-	-	-	405,914	758,283	607,979	-	1,772,176
Other financial liabilities	256,278	-	-	-	75,716	88,501	-	1,929,012
Total financial liabilities	17,045,401	7,987,679	7,276,661	8,178,734	16,440,258	1,605,314	158,024	60,200,588
On-balance sheet interest sensitivity gap	27,600,054	(5,960,097)	(6,479,384)	(7,430,009)	(8,095,589)	4,582,345	21,263	4,951,839

Note:

- * Included impaired loans/financing and ECL.
- ** Included statutory deposits and other assets.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Market Risk (cont'd)

Market Risk Factors (cont'd)

(ii) Foreign exchange risk

Foreign exchange risk refers to the risk that fair value or future cash flows of financial instruments will fluctuate because of the volatile movements in the exchange rates for foreign exchange positions taken by the Group and the Bank from time to time.

Foreign currency exchange risk is managed via approved risk limits and open positions, which are regularly revalued against current exchange rates and reported to the Management and the Board.

The following table summarises the assets, liabilities and net open position by currency as at the end of the financial reporting date, which are mainly in US Dollars, Pound Sterling, Euro Dollars, Australian Dollars and Singapore Dollars. Other foreign exchange exposures include exposure to Japanese Yen, Chinese Yuan and New Zealand Dollars. The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the Group and the Bank.

GROUP 2026	US Dollars RM'000	Pound Sterling RM'000	Euro Dollars RM'000	Australian Dollars RM'000	Singapore Dollars RM'000	Others RM'000	Total RM'000
Assets							
Cash and short-term funds	672,294	2,139	8,620	1,711	11,996	23,243	720,003
Deposits and placements with banks and other financial institutions	121,401	-	-	-	-	-	121,401
Financial investments at fair value through other comprehensive income	85,509	-	-	-	-	-	85,509
Financial assets at fair value through profit or loss	169	-	-	65	-	-	234
Loans, advances and financing	728,471	2,750	896	-	-	2,781	734,898
Other financial assets	98,973	111	-	1,264	49	1	100,398
Total financial assets	1,706,817	5,000	9,516	3,040	12,045	26,025	1,762,443
Liabilities							
Deposits from customers	1,994,797	334,245	138,678	655,186	623,320	158,653	3,904,879
Deposits and placements of banks and other financial institutions	-	-	-	-	-	4,688	4,688
Financial liabilities designated at fair value through profit or loss	70,291	32,989	-	3,665	40,864	-	147,809
Other financial liabilities	28,647	209,713	6,827	18,815	2,931	43,673	310,606
Total financial liabilities	2,093,735	576,947	145,505	677,666	667,115	207,014	4,367,982
On-balance sheet open position	(386,918)	(571,947)	(135,989)	(674,626)	(655,070)	(180,989)	(2,605,539)
Off-balance sheet open position	321,286	555,813	136,468	606,379	547,762	176,584	2,344,292
Net open position	(65,632)	(16,134)	479	(68,247)	(107,308)	(4,405)	(261,247)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Market Risk (cont'd)

Market Risk Factors (cont'd)

(ii) Foreign exchange risk (cont'd)

The following table summarises the assets, liabilities and net open position by currency as at the end of the financial reporting date, which are mainly in US Dollars, Pound Sterling, Euro Dollars, Australian Dollars and Singapore Dollars. Other foreign exchange exposures include exposure to Japanese Yen, Chinese Yuan and New Zealand Dollars. The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the Group and the Bank. (cont'd)

GROUP 2025	US Dollars RM'000	Pound Sterling RM'000	Euro Dollars RM'000	Australian Dollars RM'000	Singapore Dollars RM'000	Others RM'000	Total RM'000
Assets							
Cash and short-term funds	2,010,884	8,299	4,549	-	5,243	17,756	2,046,731
Deposits and placements with banks and other financial institutions	257,146	-	-	-	-	-	257,146
Financial assets at fair value through profit or loss	260	-	-	106	-	-	366
Loans, advances and financing	767,729	16,010	638	-	-	191	784,568
Other financial assets	24,362	22	-	3,766	79	4	28,233
Total financial assets	3,060,381	24,331	5,187	3,872	5,322	17,951	3,117,044
Liabilities							
Deposits from customers	1,914,559	132,118	71,192	902,399	718,621	167,888	3,906,777
Deposits and placements of banks and other financial institutions	9,945	-	-	966	-	1,855	12,766
Financial liabilities designated at fair value through profit or loss	28,803	-	-	-	2,322	965	32,090
Other financial liabilities	43,854	712	4,723	149,415	8,660	32,729	240,093
Total financial liabilities	1,997,161	132,830	75,915	1,052,780	729,603	203,437	4,191,726
On-balance sheet open position	1,063,220	(108,499)	(70,728)	(1,048,908)	(724,281)	(185,486)	(1,074,682)
Off-balance sheet open position	(1,182,265)	100,157	77,971	1,003,550	638,633	192,026	830,072
Net open position	(119,045)	(8,342)	7,243	(45,358)	(85,648)	6,540	(244,610)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Market Risk (cont'd)

Market Risk Factors (cont'd)

(ii) Foreign exchange risk (cont'd)

The following table summarises the assets, liabilities and net open position by currency as at the end of the financial reporting date, which are mainly in US Dollars, Pound Sterling, Euro Dollars, Australian Dollars and Singapore Dollars. Other foreign exchange exposures include exposure to Japanese Yen, Chinese Yuan and New Zealand Dollars. The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the Group and the Bank. (cont'd)

BANK 2026	US Dollars RM'000	Pound Sterling RM'000	Euro Dollars RM'000	Australian Dollars RM'000	Singapore Dollars RM'000	Others RM'000	Total RM'000
Assets							
Cash and short-term funds	672,294	2,139	8,620	1,711	11,996	23,243	720,003
Deposits and placements with banks and other financial institutions	121,401	-	-	-	-	-	121,401
Financial investments at fair value through other comprehensive income	85,509	-	-	-	-	-	85,509
Financial assets at fair value through profit or loss	169	-	-	65	-	-	234
Loans, advances and financing	728,471	2,750	896	-	-	2,781	734,898
Other financial assets	98,973	111	-	1,264	49	1	100,398
Total financial assets	1,706,817	5,000	9,516	3,040	12,045	26,025	1,762,443
Liabilities							
Deposits from customers	1,994,797	334,245	138,678	655,186	623,320	158,653	3,904,879
Deposits and placements of banks and other financial institutions	-	-	-	-	-	4,688	4,688
Financial liabilities designated at fair value through profit or loss	70,291	32,989	-	3,665	40,864	-	147,809
Other financial liabilities	28,242	209,327	6,827	18,815	2,931	43,673	309,815
Total financial liabilities	2,093,330	576,561	145,505	677,666	667,115	207,014	4,367,191
On-balance sheet open position	(386,513)	(571,561)	(135,989)	(674,626)	(655,070)	(180,989)	(2,604,748)
Off-balance sheet open position	321,286	555,813	136,468	606,379	547,762	176,584	2,344,292
Net open position	(65,227)	(15,748)	479	(68,247)	(107,308)	(4,405)	(260,456)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Market Risk (cont'd)

Market Risk Factors (cont'd)

(ii) Foreign exchange risk (cont'd)

The following table summarises the assets, liabilities and net open position by currency as at the end of the financial reporting date, which are mainly in US Dollars, Pound Sterling, Euro Dollars, Australian Dollars and Singapore Dollars. Other foreign exchange exposures include exposure to Japanese Yen, Chinese Yuan and New Zealand Dollars. The exposure was calculated only for monetary balances denominated in currencies other than the functional currency of the Group and the Bank. (cont'd)

BANK 2025	US Dollars RM'000	Pound Sterling RM'000	Euro Dollars RM'000	Australian Dollars RM'000	Singapore Dollars RM'000	Others RM'000	Total RM'000
Assets							
Cash and short-term funds	2,010,884	8,299	4,549	-	5,243	17,756	2,046,731
Deposits and placements with banks and other financial institutions	257,146	-	-	-	-	-	257,146
Financial assets at fair value through profit or loss	260	-	-	106	-	-	366
Loans, advances and financing	767,729	16,010	638	-	-	191	784,568
Other financial assets	24,362	22	-	3,766	79	4	28,233
Total financial assets	3,060,381	24,331	5,187	3,872	5,322	17,951	3,117,044
Liabilities							
Deposits from customers	1,914,559	132,118	71,192	902,399	718,621	167,888	3,906,777
Deposits and placements of banks and other financial institutions	9,945	-	-	966	-	1,855	12,766
Financial liabilities designated at fair value through profit or loss	28,803	-	-	-	2,322	965	32,090
Other financial liabilities	43,702	563	4,723	149,415	8,660	32,729	239,792
Total financial liabilities	1,997,009	132,681	75,915	1,052,780	729,603	203,437	4,191,425
On-balance sheet open position	1,063,372	(108,350)	(70,728)	(1,048,908)	(724,281)	(185,486)	(1,074,381)
Off-balance sheet open position	(1,182,265)	100,157	77,971	1,003,550	638,633	192,026	830,072
Net open position	(118,893)	(8,193)	7,243	(45,358)	(85,648)	6,540	(244,309)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Market Risk (cont'd)

Market Risk Measures

(iii) Value at risk ("VaR")

VaR reflects the maximum potential loss of value of a portfolio resulting from market movements within a specified probability of occurrence (level of confidence) for a specific period of time (holding period). For the Group and the Bank, VaR is computed based on the historical simulation approach with parameters in accordance with BNM and Basel requirements. Backtesting is performed daily to validate and reassess the accuracy of the VaR model. This involves the comparison of the daily VaR values against the hypothetical profit and loss over the corresponding period.

The table below sets out a summary of the Group's and the Bank's VaR profile by financial instrument types for the Trading Portfolio:

GROUP	Balance RM'000	Average for the year RM'000	Minimum RM'000	Maximum RM'000
2026				
Foreign exchange ("FX") related derivatives	(688)	(1,576)	(604)	(3,258)
Government securities	(11,787)	(14,120)	(10,879)	(17,649)
Private debt securities	(2,747)	(4,272)	(2,620)	(5,285)
2025				
FX related derivatives	(632)	(960)	(279)	(2,828)
Government securities	(12,579)	(14,179)	(12,579)	(15,898)
Private debt securities	(4,215)	(4,183)	(3,653)	(4,473)
BANK				
2026				
FX related derivatives	(688)	(1,576)	(604)	(3,258)
Government securities	(10,554)	(12,420)	(9,764)	(15,783)
Private debt securities	(2,421)	(3,740)	(2,326)	(4,650)
2025				
FX related derivatives	(632)	(960)	(279)	(2,828)
Government securities	(10,622)	(12,079)	(10,622)	(13,496)
Private debt securities	(3,752)	(3,642)	(3,112)	(3,915)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Market Risk (cont'd)

Market Risk Measures

(iv) Interest/profit rate risk sensitivity

The following tables present the Group's and the Bank's sensitivity result for the impact on net profit after tax and reserves of financial assets and financial liabilities bearing fixed and floating interest/profit rates.

Impact on the net profit after tax is measured using Earning-at-Risk ("EAR") methodology. The treatments are based on a set of sensitivity rate shocks applied on the interest rate gap profile from the financial position of the Group and the Bank by taking into consideration the repricing or remaining maturities of the floating and fixed rate products respectively.

Impact on equity represents the changes in fair value of financial investment at fair value through other comprehensive income portfolios arising from shifts in interest/profit rate.

	2026 GROUP		2026 BANK	
	- 200 bps	+ 200 bps	- 200 bps	+ 200 bps
	Increase/(Decrease)		Increase/(Decrease)	
	RM'000	RM'000	RM'000	RM'000
Impact on net profit after tax	(181,159)	181,159	(143,290)	143,290
Impact on equity	829,922	(751,723)	722,523	(655,158)

	2025 GROUP		2025 BANK	
	- 200 bps	+ 200 bps	- 200 bps	+ 200 bps
	Increase/(Decrease)		Increase/(Decrease)	
	RM'000	RM'000	RM'000	RM'000
Impact on net profit after tax	(172,826)	172,826	(134,323)	134,323
Impact on equity	776,240	(685,893)	658,652	(580,660)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**(b) Market Risk (cont'd)****Market Risk Measures (cont'd)****(v) Other risk measures****(i) Stress test**

Stress testing is conducted by the Group and Bank to gauge their potential vulnerability under exceptional but plausible stressed events. The Group performs stress testing regularly to measure and alert the Board and the Management on the effects of potential political, economic or other disruptive events on our exposures. The Group's stress testing process is governed by the Stress Testing Policy as approved by the Board. Stress testing is conducted on a bank-wide basis as well as on specific portfolios. The Group's bank-wide stress testing exercise uses a variety of broad macroeconomic indicators that are then translated into stress impacts on the various business units. The results are then consolidated to provide an overall impact on the Group's financial results and capital requirements. Stress testing results are reported to the Board and the Management to provide them with an assessment of the financial impact that such events would have on the Group's profitability and capital levels.

(ii) Sensitivity analysis

Sensitivity analysis is used to measure the financial impact of changes in individual stress factors such as interest/profit rates or foreign exchange rates. It is normally designed to isolate and quantify exposure to the underlying risk. The Group and the Bank perform sensitivity analysis such as parallel shifts of interest/profit rates on its exposures, primarily on the banking and trading book positions.

(c) Liquidity Risk

Liquidity risk is the inability of the Group and the Bank to meet financial commitments when due.

The Group's and the Bank's liquidity risk profile is managed using liquidity risk management strategies set in the Liquidity Risk Management Policy. Liquidity Risk Measures are monitored against approved thresholds by GALCO and Group Risk Management Committee ("GRMC"). A contingency funding plan is also established by the Group and the Bank as a forward-looking measure to ensure that liquidity risk can be addressed according to the degrees of key risk indicators, and which incorporates alternative funding strategies which are ready to be implemented on a timely basis to mitigate the impact of unforeseen adverse changes in liquidity in the market place.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Liquidity Risk Measures

(i) Liquidity risk for assets and liabilities based on remaining contractual maturities

The maturities of the on-balance sheet assets and liabilities are important factors in assessing the liquidity of the Group and the Bank. The table below provides an analysis of assets and liabilities into relevant maturity terms based on remaining contractual maturities:

GROUP 2026	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1 year RM'000	No specific maturity RM'000	Total RM'000
Assets							
Cash and short-term funds	3,139,796	-	-	-	-	-	3,139,796
Deposits and placements with banks and other financial institutions	-	702,685	100,264	-	-	-	802,949
Financial assets at fair value through profit or loss	567	1,458	1,594	-	363,780	337,257	704,656
Financial investments at fair value through other comprehensive income	499,015	591,234	471,933	476,334	11,065,354	10	13,103,880
Financial investments at amortised cost	27,081	7,959	313,553	30,318	5,094,557	-	5,473,468
Loans, advances and financing	11,295,838	2,488,465	1,003,961	279,203	50,973,063	-	66,040,530
Other financial and non-financial assets	369,427	96,274	77,938	48,389	139,339	2,159,368	2,890,735
Total assets	15,331,724	3,888,075	1,969,243	834,244	67,636,093	2,496,635	92,156,014
Liabilities							
Deposits from customers	37,451,945	9,718,437	12,727,507	11,691,632	22,277	-	71,611,798
Deposits and placements of banks and other financial institutions	895,187	597,416	2,144	6,066	1,111,171	-	2,611,984
Financial liabilities designated at fair value through profit or loss	20,945	34,776	90,260	410,215	1,235,734	-	1,791,930
Obligations on securities sold under repurchase agreements	296,961	561,686	-	-	-	-	858,647
Recourse obligations on loans and financing sold to Cagamas	638	2,348	-	-	700,062	-	703,048
Lease liabilities	1,491	4,806	5,110	12,043	126,980	-	150,430
Other borrowings	-	-	2,644	-	499,430	-	502,074
Subordinated obligations	13,474	8,610	753	-	1,944,227	-	1,967,064
Other financial and non-financial liabilities	1,664,591	322,990	239,065	177,827	733,700	-	3,138,173
Total liabilities	40,345,232	11,251,069	13,067,483	12,297,783	6,373,581	-	83,335,148
Net maturity mismatch	(25,013,508)	(7,362,994)	(11,098,240)	(11,463,539)	61,262,512	2,496,635	8,820,866

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Liquidity Risk Measures (cont'd)

(i) Liquidity risk for assets and liabilities based on remaining contractual maturities (cont'd)

The maturities of the on-balance sheet assets and liabilities are important factors in assessing the liquidity of the Group and the Bank. The table below provides an analysis of assets and liabilities into relevant maturity terms based on remaining contractual maturities: (cont'd)

GROUP 2025	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1 year RM'000	No specific maturity RM'000	Total RM'000
Assets							
Cash and short-term funds	4,588,931	-	-	-	-	-	4,588,931
Deposits and placements with banks and other financial institutions	-	611,989	-	-	-	-	611,989
Financial assets at fair value through profit or loss	3	-	7	-	2,191	303,798	305,999
Financial investments at fair value through other comprehensive income	90,826	124,443	90,549	210,908	10,682,891	12	11,199,629
Financial investments at amortised cost	31,648	5,674	191,530	484,914	3,351,257	-	4,065,023
Loans, advances and financing	10,013,253	2,794,918	1,032,828	487,950	47,089,599	-	61,418,548
Other financial and non-financial assets	231,130	27,061	20,030	24,221	95,262	2,629,482	3,027,186
Total assets	14,955,791	3,564,085	1,334,944	1,207,993	61,221,200	2,933,292	85,217,305
Liabilities							
Deposits from customers	36,026,648	9,355,690	10,699,837	9,730,390	22,389	-	65,834,954
Deposits and placements of banks and other financial institutions	458,386	50,122	1,017	4,531	1,540,853	-	2,054,909
Financial liabilities designated at fair value through profit or loss	24,138	157,803	128,159	424,784	1,148,576	-	1,883,460
Obligations on securities sold under repurchase agreements	1,342,361	382,115	-	-	-	-	1,724,476
Recourse obligations on loans and financing sold to Cogamas	504,659	100,955	-	-	300,032	-	905,646
Lease liabilities	2,112	6,528	7,899	9,558	91,027	-	117,124
Other borrowings	-	-	2,644	-	500,000	-	502,644
Subordinated obligations	19,502	2,057	874	399,871	1,450,000	-	1,872,304
Other financial and non-financial liabilities	1,539,282	204,554	161,514	122,959	625,032	-	2,653,341
Total liabilities	39,917,088	10,259,824	11,001,944	10,692,093	5,677,909	-	77,548,858
Net maturity mismatch	(24,961,297)	(6,695,739)	(9,667,000)	(9,484,100)	55,543,291	2,933,292	7,668,447

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Liquidity Risk Measures (cont'd)

(i) Liquidity risk for assets and liabilities based on remaining contractual maturities (cont'd)

The maturities of the on-balance sheet assets and liabilities are important factors in assessing the liquidity of the Group and the Bank. The table below provides an analysis of assets and liabilities into relevant maturity terms based on remaining contractual maturities: (cont'd)

BANK 2026	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1 year RM'000	No specific maturity RM'000	Total RM'000
Assets							
Cash and short-term funds	2,415,492	-	-	-	-	-	2,415,492
Deposits and placements with banks and other financial institutions	-	351,792	100,264	-	-	-	452,056
Investment account placements	-	-	150,695	-	-	-	150,695
Financial assets at fair value through profit or loss	567	1,458	1,594	-	363,780	337,257	704,656
Financial investments at fair value through other comprehensive income	222,964	351,793	295,103	351,205	9,232,873	10	10,453,948
Financial investments at amortised cost	25,149	175,072	258,941	91,408	3,862,805	-	4,413,375
Loans, advances and financing	9,105,278	1,773,810	688,721	237,495	38,587,408	-	50,392,712
Other financial and non-financial assets	529,476	96,093	77,670	43,570	141,682	2,656,845	3,545,336
Total assets	12,298,926	2,750,018	1,572,988	723,678	52,188,548	2,994,112	72,528,270
Liabilities							
Deposits from customers	30,131,056	6,930,069	7,429,634	9,336,753	20,625	-	53,848,137
Deposits and placements of bank and other financial institutions	895,188	597,354	1,460	5,647	857,812	-	2,357,461
Financial liabilities designated at fair value through profit or loss	20,945	34,776	90,260	410,215	1,235,734	-	1,791,930
Obligations on securities sold under repurchase agreements	296,961	561,686	-	-	-	-	858,647
Recourse obligations on loans and financing sold to Cagamas	638	2,348	-	-	700,062	-	703,048
Lease liabilities	1,491	4,806	5,110	12,043	127,006	-	150,456
Other borrowings	-	-	1,610	-	299,658	-	301,268
Subordinated obligations	13,474	8,610	634	-	1,744,800	-	1,767,518
Other financial and non-financial liabilities	1,565,043	302,424	224,613	174,463	702,465	-	2,969,008
Total liabilities	32,924,796	8,442,073	7,753,321	9,939,121	5,688,162	-	64,747,473
Net maturity mismatch	(20,625,870)	(5,692,055)	(6,180,333)	(9,215,443)	46,500,386	2,994,112	7,780,797

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Liquidity Risk Measures (cont'd)

(i) Liquidity risk for assets and liabilities based on remaining contractual maturities (cont'd)

The maturities of the on-balance sheet assets and liabilities are important factors in assessing the liquidity of the Group and the Bank. The table below provides an analysis of assets and liabilities into relevant maturity terms based on remaining contractual maturities: (cont'd)

BANK 2025	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1 year RM'000	No specific maturity RM'000	Total RM'000
Assets							
Cash and short-term funds	3,344,893	-	-	-	-	-	3,344,893
Deposits and placements with banks and other financial institutions	-	257,130	-	-	-	-	257,130
Financial assets at fair value through profit or loss	3	-	7	-	2,191	303,798	305,999
Financial investments at fair value through other comprehensive income	78,206	109,156	75,398	130,379	8,964,730	12	9,357,881
Financial investments at amortised cost	28,624	4,412	177,301	444,512	2,743,115	-	3,397,964
Loans, advances and financing	7,895,093	2,114,103	782,170	441,277	35,904,923	-	47,137,566
Other financial and non-financial assets	243,069	26,517	19,215	17,147	104,966	2,988,906	3,399,820
Total assets	11,589,888	2,511,318	1,054,091	1,033,315	47,719,925	3,292,716	67,201,253
Liabilities							
Deposits from customers	28,614,806	6,578,370	7,012,170	7,550,727	20,515	-	49,776,588
Deposits and placements of banks and other financial institutions	458,146	50,108	317	2,414	1,333,436	-	1,844,421
Financial liabilities designated at fair value through profit or loss	24,138	157,803	128,159	424,784	1,148,576	-	1,883,460
Obligations on securities sold under repurchase agreements	1,342,361	382,115	-	-	-	-	1,724,476
Recourse obligations on loans and financing sold to Cagamas	303,260	805	-	-	300,031	-	604,096
Lease liabilities	2,112	6,528	7,899	9,558	91,027	-	117,124
Other borrowings	-	-	1,610	-	300,000	-	301,610
Subordinated obligations	19,502	2,057	818	399,799	1,350,000	-	1,772,176
Other financial and non-financial liabilities	1,391,593	186,755	145,468	120,279	595,992	-	2,440,087
Total liabilities	32,155,918	7,364,541	7,296,441	8,507,561	5,139,577	-	60,464,038
Net maturity mismatch	(20,566,030)	(4,853,223)	(6,242,350)	(7,474,246)	42,580,348	3,292,716	6,737,215

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Liquidity Risk Measures (cont'd)

(ii) Contractual maturity of financial liabilities on an undiscounted basis

The table below presents the cash flows payable by the Group and the Bank under financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flows of all financial liabilities.

GROUP 2026	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Non derivative financial liabilities								
Deposits from customers	37,706,195	9,706,619	12,890,633	11,920,629	22,624	-	-	72,246,700
Deposits and placements of banks and other financial institutions	896,167	601,433	2,144	6,066	959,041	287,950	-	2,752,801
Financial liabilities designated at fair value through profit or loss	18,515	64,263	136,931	724,345	710,124	814,659	-	2,468,837
Obligations on securities sold under repurchase agreements	-	858,647	-	-	-	-	-	858,647
Recourse obligations on loans and financing sold to Cagamas	863	5,921	6,918	13,781	468,447	331,504	-	827,434
Lease liabilities	2,035	5,879	6,655	14,944	74,094	80,380	-	183,987
Other borrowings	-	-	9,776	9,749	267,057	324,520	-	611,102
Subordinated obligations	15,719	12,266	12,180	40,528	1,523,039	610,767	-	2,214,499
Other financial liabilities	1,361,184	155,918	94,552	16,466	72,327	-	-	1,700,447
	40,000,678	11,410,946	13,159,789	12,746,508	4,096,753	2,449,780	-	83,864,454
Items not recognised in the statements of financial position								
Financial guarantees	60,475	118,733	96,111	200,714	112,069	521	-	588,623
Credit related commitments and contingencies	15,887,599	122,117	95,170	114,411	5,325,188	333,355	-	21,877,840
	15,948,074	240,850	191,281	315,125	5,437,257	333,876	-	22,466,463
Derivatives financial liabilities								
Derivatives settled on a net basis	-	-	(21,005)	(41,457)	(189,157)	1,959	-	(249,660)
Interest rate derivatives and equity option	-	-	(21,005)	(41,457)	(189,157)	1,959	-	(249,660)
Net outflow	-	-	(21,005)	(41,457)	(189,157)	1,959	-	(249,660)
Derivatives settled on a gross basis								
Outflow	75,306	100,892	7,988	89,471	24,259	-	-	297,916
Inflow	(38,249)	(81,226)	(4,857)	(64,978)	(31,720)	-	-	(221,030)
	37,057	19,666	3,131	24,493	(7,461)	-	-	76,886

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Liquidity Risk Measures (cont'd)

(ii) Contractual maturity of financial liabilities on an undiscounted basis (cont'd)

The table below presents the cash flows payable by the Group and the Bank under financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flows of all financial liabilities. (cont'd)

GROUP 2025	Up to month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Non derivative financial liabilities								
Deposits from customers	36,040,424	9,414,112	10,843,720	9,982,953	10,967	-	-	66,292,176
Deposits and placements of banks and other financial institutions	458,639	50,292	1,017	4,531	1,202,698	539,547	-	2,256,724
Financial liabilities designated at fair value through profit or loss	25,646	171,431	165,093	502,633	872,605	431,576	-	2,168,984
Obligations on securities sold under repurchase agreements	-	1,724,476	-	-	-	-	-	1,724,476
Recourse obligations on loans and financing sold to Cagamas	505,926	103,291	3,206	6,360	51,080	345,406	-	1,015,269
Lease liabilities	2,563	7,402	9,109	11,744	60,477	45,984	-	137,279
Other borrowings	-	-	9,967	10,133	276,450	336,760	-	633,310
Subordinated obligations	22,900	4,091	12,432	438,890	1,046,213	629,098	-	2,153,624
Other financial liabilities	1,268,366	127,254	91,372	13,458	22,837	-	-	1,523,287
	38,324,464	11,602,349	11,135,916	10,970,702	3,543,327	2,328,371	-	77,905,129
Items not recognised in the statements of financial position								
Financial guarantees	57,789	118,821	79,677	182,874	101,346	2,975	-	543,482
Credit related commitments and contingencies	15,157,892	129,645	64,218	317,196	6,184,123	759,397	-	22,612,471
	15,215,681	248,466	143,895	500,070	6,285,469	762,372	-	23,155,953
Derivatives financial liabilities								
<u>Derivatives settled on a net basis</u>								
Interest rate derivatives and equity option	1,332	3,158	8,262	13,614	32,082	3,704	-	62,152
Net outflow	1,332	3,158	8,262	13,614	32,082	3,704	-	62,152
<u>Derivatives settled on a gross basis</u>								
Outflow	40,584	15,424	5,525	486	6,509	8,033	-	76,561
Inflow	(38,072)	(16,645)	(4,009)	-	(6,839)	(7,350)	-	(72,915)
	2,512	(1,221)	1,516	486	(330)	683	-	3,646

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Liquidity Risk Measures (cont'd)

(ii) Contractual maturity of financial liabilities on an undiscounted basis (cont'd)

The table below presents the cash flows payable by the Group and the Bank under financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flows of all financial liabilities. (cont'd)

BANK 2026	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Non derivative financial liabilities								
Deposits from customers	30,143,874	6,973,729	7,522,502	9,562,620	20,940	-	-	54,223,665
Deposits and placements of banks and other financial institutions	896,167	601,409	1,460	5,648	784,186	192,729	-	2,481,599
Financial liabilities designated at fair value through profit or loss	18,515	64,263	136,931	724,345	710,124	814,659	-	2,468,837
Obligations on securities sold under repurchase agreements	-	858,647	-	-	-	-	-	858,647
Recourse obligations on loans and financing sold to Cagamas	863	5,921	6,918	13,781	468,447	331,504	-	827,434
Lease liabilities	2,035	5,879	6,655	14,944	74,094	80,380	-	183,987
Other borrowings	-	-	6,070	6,170	48,994	324,520	-	385,754
Subordinated obligations	15,719	12,266	9,623	37,999	1,412,825	610,767	-	2,099,199
Other financial liabilities	1,301,774	148,839	86,391	13,443	69,326	-	-	1,619,773
	32,378,947	8,670,953	7,776,550	10,378,950	3,588,936	2,354,559	-	65,148,895
<u>Items not recognised in the statements of financial position</u>								
Financial guarantees	53,659	103,288	77,449	167,226	94,592	521	-	496,735
Credit related commitments and contingencies	13,114,993	102,152	79,690	95,196	4,695,428	329,207	-	18,416,666
	13,168,652	205,440	157,139	262,422	4,790,020	329,728	-	18,913,401
Derivatives financial liabilities								
<u>Derivatives settled on a net basis</u>								
Interest rate derivatives and equity option	-	-	(18,457)	(36,361)	(168,735)	1,959	-	(221,594)
Net outflow	-	-	(18,457)	(36,361)	(168,735)	1,959	-	(221,594)
<u>Derivatives settled on a gross basis</u>								
Outflow	75,306	100,892	7,988	89,471	24,259	-	-	297,916
Inflow	(38,249)	(81,226)	(4,857)	(64,978)	(31,720)	-	-	(221,030)
	37,057	19,666	3,131	24,493	(7,461)	-	-	76,886

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AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (cont'd)

Liquidity Risk Measures (cont'd)

(ii) Contractual maturity of financial liabilities on an undiscounted basis (cont'd)

The table below presents the cash flows payable by the Group and the Bank under financial liabilities by remaining contractual maturities at the end of the reporting period. The amounts disclosed in the table are the contractual undiscounted cash flows of all financial liabilities. (cont'd)

BANK 2025	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Non derivative financial liabilities								
Deposits from customers	28,625,517	6,619,970	7,106,589	7,741,274	20,834	-	-	50,114,184
Deposits and placements of banks and other financial institutions	458,399	50,292	317	2,414	1,007,065	499,975	-	2,018,462
Financial liabilities designated at fair value through profit or loss	25,646	171,431	165,093	502,633	872,605	431,576	-	2,168,984
Obligations on securities sold under repurchase agreements	-	1,724,476	-	-	-	-	-	1,724,476
Recourse obligations on loans and financing sold to Cagamas	303,930	2,244	3,206	6,360	51,080	345,406	-	712,226
Lease liabilities	2,563	7,402	9,109	11,744	60,477	45,984	-	137,279
Other borrowings	-	-	6,070	6,170	48,994	336,760	-	397,994
Subordinated obligations	22,900	4,091	9,847	436,347	930,913	629,098	-	2,033,196
Other financial liabilities	1,161,693	123,757	81,204	13,446	22,837	-	-	1,402,937
	30,600,648	8,703,663	7,381,435	8,720,388	3,014,805	2,288,799	-	60,709,738
<u>Items not recognised in the statements of financial position</u>								
Financial guarantees	55,174	104,789	60,105	151,932	80,513	2,975	-	455,488
Credit related commitments and contingencies	12,236,915	103,756	51,269	293,283	5,539,378	753,296	-	18,977,897
	12,292,089	208,545	111,374	445,215	5,619,891	756,271	-	19,433,385
Derivatives financial liabilities								
<u>Derivatives settled on a net basis</u>								
Interest rate derivatives and equity option	1,332	3,158	8,262	13,614	32,082	3,704	-	62,152
Net outflow	1,332	3,158	8,262	13,614	32,082	3,704	-	62,152
<u>Derivatives settled on a gross basis</u>								
Outflow	40,584	15,424	5,525	486	6,509	8,033	-	76,561
Inflow	(38,072)	(16,645)	(4,009)	-	(6,839)	(7,350)	-	(72,915)
	2,512	(1,221)	1,516	486	(330)	683	-	3,646

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

44. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)**(d) Operational and Shariah Non-Compliance Risk**

Operational risk refers to the risk of financial loss arising from inadequate or failed internal processes, people and systems or from external events. It includes legal risk, but excludes strategic and reputational risk. It also covers Shariah non-compliance risk which arises from the Group's failure to comply with the Shariah rules and principles as determined by the relevant Shariah advisory councils.

Governance and Oversight

The Group's operational risk governance structure is anchored on the Board and its committees, the Group Risk Management Committee (GRMC), Executive Risk Management Committee (ERMC) and Group Operational and Technology Risk Management Committee (GOTRC). The Board, through the GRMC, provides oversight of operational risk management activities, while GOTRC oversees day-to-day operational risk exposures across the Group.

Operational Risk Management Framework

The Group's Operational Risk Management (ORM) Framework, aligned with Bank Negara Malaysia and Basel requirements, outlines the processes and methodologies for identifying, assessing, measuring, controlling, and monitoring operational risk. Group Operational Risk, under Group Risk Management, develops and implements the Framework across the Bank, while business units, supported by Risk and Compliance Officers, manage their day-to-day operational and Shariah non-compliance risks.

Operational Risk Management Process

The Group's operational risk management process is reinforced through structured activities such as risk and control identification, monitoring of key risk indicators, regular reviews of policies and procedures, continuous training on operational and Shariah non-compliance risks, and the implementation of a robust business continuity management framework.

Operational and Shariah non-compliance risk management is a continuous cycle that entails analysing the Bank's risk profile, identifying control gaps, assessing potential losses, and strengthening controls to ensure effective risk mitigation.

Regulatory Capital

For operational risk capital requirements, the Group and the Bank applies BNM's prescribed Standardised Approach under the Capital Adequacy Framework (Operational Risk).

(e) Technology and Cyber Risk

Technology and Cyber Risk refer to the potential disruption, degradation, or failure of the Bank's systems, infrastructure, and digital channels, including risks arising from external cyber threats. These risks may affect service availability, system reliability, data confidentiality, and the continuity of business operations as the Bank increases its reliance on technology and digital delivery channels.

The Bank manages technology and cyber risks through established governance structures, policies, and oversight by the Board and its committees. The Bank adopts a proactive and multi-layered approach that includes ongoing monitoring of the external threat environment, periodic independent assessments of cyber resilience, regular staff awareness initiatives, and strengthened oversight of technology-related third-party arrangements.

These measures collectively support the Bank's ability to anticipate, detect, and respond to emerging risks, while reinforcing a strong risk-aware culture across the organisation. This approach complements the Bank's broader governance framework and ensures that technology and cyber risks are managed in a prudent and consistent manner.

NOTES TO THE FINANCIAL STATEMENTS

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45. CAPITAL COMMITMENTS

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Capital expenditure:				
Authorised and contracted for	22,236	126,906	22,236	126,906
Authorised but not contracted for	79,132	112,458	78,939	112,444
	101,368	239,364	101,175	239,350

The capital commitments mainly consist of computer software, property, plant and equipment and building cost.

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.

The off-balance sheet notional exposures of the Group and the Bank are as follows:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
<u>Credit-related exposures</u>				
Direct credit substitutes [Note (a)]	574,267	536,155	482,358	448,167
Transaction-related contingent items [Note (a)]	734,301	714,231	594,703	579,231
Short-term self-liquidating trade-related contingencies	135,651	118,673	109,994	103,660
Forward assets purchase	26,403	7,237	26,403	7,237
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions	904,941	1,689,046	904,941	1,689,046
Irrevocable commitments to extend credit:				
- maturity exceeding one year	4,341,791	5,051,678	3,787,043	4,466,785
- maturity not exceeding one year	13,404,501	12,923,384	10,663,351	10,023,710
Unutilised credit card lines	2,344,608	2,115,549	2,344,608	2,115,549
	22,466,463	23,155,953	18,913,401	19,433,385

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

46. COMMITMENTS AND CONTINGENCIES (CONT'D)

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. (cont'd)

The off-balance sheet notional exposures of the Group and the Bank are as follows: (cont'd)

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Derivative financial instruments [Note (b)]				
Foreign exchange related contracts:				
- one year or less	23,805,928	14,982,172	23,805,928	14,982,172
- over one year to three years	109,591	400,299	109,591	400,299
- over three years	-	8,862	-	8,862
Interest rate related contracts:				
- one year or less	2,675,335	4,118,349	2,675,335	4,118,349
- over one year to three years	12,864,101	8,601,276	13,264,101	8,601,276
- over three years	26,055,549	14,298,218	26,055,549	14,298,218
Equity related contracts:				
- one year or less	592,600	316,353	592,600	316,353
- over one year to three years	171,879	98,607	171,879	98,607
	66,274,983	42,824,136	66,674,983	42,824,136
	88,741,446	65,980,089	85,588,384	62,257,521

Note:

- (a) Included in direct credit substitutes and transaction-related contingent items are financial guarantee contracts of RM588,623,000 and RM496,735,000 (2025: RM536,245,000 and RM455,488,000) for the Group and the Bank respectively, of which the fair value at the time of issuance is RM Nil.
- (b) These derivatives are valued on gross position basis and the unrealised gains or losses have been reflected in the statements of income and statements of financial position as derivatives financial assets and derivatives financial liabilities. The fair value of derivatives are disclosed under Note 9.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

47. CAPITAL ADEQUACY

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework. The Framework sets out the approach for computing regulatory ratios, as well as the levels of those ratios at which banking institutions are required to operate. The framework is to strengthen capital adequacy standards, in line with the requirements set forth under Basel III. The risk-weighted assets of the Bank and the Group are computed using the Standardised Approach for credit risk and market risk, and the Standard Computation Method for operational risk.

The Group and the Bank have sufficient capital as follows:

	GROUP		BANK	
	2026	2025	2026	2025
<u>Before deducting proposed dividends</u>				
CET I capital ratio	13.438%	12.465%	13.787%	12.321%
Tier I capital ratio	14.871%	13.654%	15.436%	13.620%
Total capital ratio	17.864%	16.995%	18.477%	17.048%
<u>After deducting proposed dividends</u>				
CET I capital ratio	13.154%	12.184%	13.417%	11.959%
Tier I capital ratio	14.587%	13.374%	15.065%	13.258%
Total capital ratio	17.580%	16.714%	18.106%	16.686%

- (a) Components of Common Equity Tier I ("CET I"), Tier I and Tier II capital under the revised Capital Adequacy Framework are as follows:

	GROUP		BANK	
	2026	2025	2026	2025
CET I Capital				
Paid-up share capital	2,150,903	1,548,106	2,150,903	1,548,106
Retained profits	6,527,632	6,014,117	5,500,955	5,092,252
Regulatory reserves	117,173	117,173	117,173	117,173
Other reserves	2,127	-	2,127	-
FVOCI reserves	12,054	(22,102)	8,836	(21,738)
Capital reserves	10,018	10,018	-	-
	8,819,907	7,667,312	7,779,994	6,735,793
Less: Regulatory adjustments				
- Goodwill and other intangibles	(522,762)	(517,038)	(521,264)	(515,385)
- Deferred tax assets	(200,552)	(219,086)	(133,035)	(152,643)
- 55% of FVOCI reserves	(6,630)	-	(4,860)	-
- Regulatory reserves	(117,173)	(117,173)	(117,173)	(117,173)
- Investment in subsidiaries and joint venture	(1,238)	(1,182)	(732,451)	(732,316)
Total CET I Capital	7,971,552	6,812,833	6,271,211	5,218,276
Additional Tier I Capital Securities	850,000	650,000	750,000	550,000
Total Additional Tier I Capital	850,000	650,000	750,000	550,000
Total Tier I Capital	8,821,552	7,462,833	7,021,211	5,768,276

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

47. CAPITAL ADEQUACY (CONT'D)

- (a) Components of Common Equity Tier I (“CET I”), Tier I and Tier II capital under the revised Capital Adequacy Framework are as follows: (cont'd)

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Tier II Capital				
Subordinated obligations	1,100,000	1,199,871	1,000,000	1,199,799
Expected credit losses and regulatory reserves	675,455	625,926	513,139	482,166
Less: Regulatory adjustments				
- Investment in Tier II capital instruments	-	-	(130,000)	(230,000)
Total Tier II Capital	1,775,455	1,825,797	1,383,139	1,451,965
Total Capital	10,597,007	9,288,630	8,404,350	7,220,241

- (b) The breakdown of risk-weighted assets (“RWA”) by exposures in each major risk category are as follows:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Credit risk	54,036,361	50,074,096	41,051,095	38,573,323
Market risk	1,245,131	973,124	1,244,340	961,274
Operational risk	4,039,534	3,609,152	3,190,790	2,817,142
Total RWA and capital requirements	59,321,026	54,656,372	45,486,225	42,351,739

Detailed information on the risk exposures above is presented in the Bank's Pillar 3 Report.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

47. CAPITAL ADEQUACY (CONT'D)

(c) The capital adequacy ratios of the banking subsidiaries are as follows:

	ALLIANCE ISLAMIC BANK BERHAD	
	2026	2025
<u>Before deducting proposed dividends</u>		
CET I capital ratio	12.745%	13.334%
Tier I capital ratio	13.471%	14.146%
Total capital ratio	16.333%	17.195%
<u>After deducting proposed dividends</u>		
CET I capital ratio	12.408%	12.889%
Tier I capital ratio	13.134%	13.701%
Total capital ratio	15.996%	16.750%

48. CAPITAL

In managing its capital, the Group's objectives are:

- (a) to maintain sufficient capital resources to meet the regulatory capital requirements as set forth by BNM;
- (b) to maintain sufficient capital resources to support the Group's risk appetite and to enable future business growth; and
- (c) to meet the expectations of key stakeholders, including shareholders, investors, regulators and rating agencies.

In line with this, the Group aims to maintain capital adequacy ratios that are comfortably above the regulatory requirement, while balancing shareholders' desire for sustainable returns and high standards of prudence.

The Group carries out stress testing to estimate the potential impact of extreme, but plausible, events on the Group's earnings, balance sheet and capital. The results of the stress test are to facilitate the formation of action plan(s) in advance if the stress test reveals that the Group's capital will be adversely affected. The results of the stress test are tabled to the Group Risk Management Committee for approval.

The Group's and the Bank's regulatory capital are determined based on the criteria set out in BNM's Capital Adequacy Framework. The Group and the Bank ensure that there is sufficient regulatory capital to comply with the prescribed capital adequacy ratio requirements at all times.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

49. FAIR VALUE MEASUREMENTS**(a) Determination of fair value and the fair value hierarchy**

MFRS 13 “Fair Value Measurement” requires disclosure of financial instruments measured at fair value to be categorised according to a hierarchy of valuation techniques, whether the inputs used are observable or unobservable. The following levels of hierarchy are used for determining and disclosing the fair value of the financial instruments:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statements of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange and those prices represent actual and regularly occurring market transactions on an arm’s length basis. This includes listed equities and corporate debt securities which are actively traded.

(ii) Financial instruments in Level 2

Where fair value is determined using quoted prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques that use market parameters, including but not limited to yield curves, volatilities and foreign exchange rates, as inputs. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include government securities, corporate private debt securities, corporate notes and most of the Group’s and the Bank’s derivatives.

(iii) Financial instruments in Level 3

The Group and the Bank classify financial instruments as Level 3 when there is reliance on unobservable inputs to the valuation model attributing to a significant contribution to the instrument value. Valuation reserves or pricing adjustments where applicable will be used to converge to fair value.

The valuation techniques and inputs used generally depend on the contractual terms and the risks inherent in the instrument as well as the availability of pricing information in the market. Principal techniques used include net tangible assets, net asset value, discounted cash flows, and other appropriate valuation models. These include private equity investments.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

49. FAIR VALUE MEASUREMENTS (CONT'D)

(b) Financial instruments measured at fair value and the fair value hierarchy

The following tables show the Group's and the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy:

GROUP 2026	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Money market instruments	-	367,010	-	367,010
- Unquoted securities	-	390	337,256	337,646
Financial investments at FVOCI				
- Money market instruments	-	7,108,342	-	7,108,342
- Quoted securities in Malaysia	10	-	-	10
- Unquoted securities	-	5,995,528	-	5,995,528
Derivative financial assets	-	348,763	-	348,763
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	1,791,930	-	1,791,930
Derivative financial liabilities	-	580,873	-	580,873
2025				
Assets				
Financial assets at FVTPL				
- Money market instruments	-	844	-	844
- Unquoted securities	-	1,357	303,798	305,155
Financial investments at FVOCI				
- Money market instruments	-	6,283,985	-	6,283,985
- Quoted securities in Malaysia	14	-	-	14
- Unquoted securities	-	4,915,630	-	4,915,630
Derivative financial assets	-	151,261	-	151,261
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	1,883,460	-	1,883,460
Derivative financial liabilities	-	247,625	-	247,625

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

49. FAIR VALUE MEASUREMENTS (CONT'D)

(b) Financial instruments measured at fair value and the fair value hierarchy (cont'd)

The following tables show the Group's and the Bank's financial instruments which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy: (cont'd)

BANK 2026	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at FVTPL				
- Money market instruments	-	367,010	-	367,010
- Unquoted securities	-	390	337,256	337,646
Financial investments at FVOCI				
- Money market instruments	-	5,768,692	-	5,768,692
- Quoted securities in Malaysia	10	-	-	10
- Unquoted securities	-	4,685,246	-	4,685,246
Derivative financial assets	-	349,556	-	349,556
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	1,791,930	-	1,791,930
Derivative financial liabilities	-	580,873	-	580,873
2025				
Assets				
Financial assets at FVTPL				
- Money market instruments	-	844	-	844
- Unquoted securities	-	1,357	303,798	305,155
Financial investments at FVOCI				
- Money market instruments	-	5,381,728	-	5,381,728
- Quoted securities in Malaysia	14	-	-	14
- Unquoted securities	-	3,976,139	-	3,976,139
Derivative financial assets	-	151,261	-	151,261
Liabilities				
Financial liabilities designated at fair value through profit or loss	-	1,883,460	-	1,883,460
Derivative financial liabilities	-	247,625	-	247,625

There were no transfers between levels of the fair value hierarchy for the Group and the Bank during the financial years ended 31 March 2026 and 31 March 2025.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

49. FAIR VALUE MEASUREMENTS (CONT'D)

(b) Financial instruments measured at fair value and the fair value hierarchy (cont'd)

The table below outlines the reconciliation of movements in Level 3 financial instruments:

	GROUP		BANK	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At 1 April	303,798	277,973	303,798	277,973
Acquisition during the year	-	200	-	200
Total gains recognised in statements of income				
- Revaluation gain from financial assets at FVTPL	33,458	25,625	33,458	25,625
At 31 March	337,256	303,798	337,256	303,798

The Group's and the Bank's exposure to financial instruments measured using unobservable inputs (Level 3) constitutes a small component of the Group's and the Bank's portfolio of financial instruments. Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the Level 3 financial instruments.

Qualitative information about the fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value assets		Valuation techniques	Unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
	2026 RM'000	2025 RM'000			
GROUP					
Financial assets at FVTPL					
Unquoted securities	337,256	303,798	Net tangible assets	Net tangible assets	Higher net tangible assets results in higher fair value
BANK					
Financial assets at FVTPL					
Unquoted securities	337,256	303,798	Net tangible assets	Net tangible assets	Higher net tangible assets results in higher fair value

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

49. FAIR VALUE MEASUREMENTS (CONT'D)

(c) Fair values of financial instruments not carried at fair value

The following table summarises the carrying amounts and the fair values of financial instruments of the Group and the Bank which are not carried at fair value in the statements of financial position. It does not include those short term/on demand financial assets and liabilities where the carrying amounts are approximate to their fair values.

GROUP 2026	Fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
Financial assets					
Deposits and placements with banks and other financial institutions	-	802,949	-	802,949	802,949
Financial investments at amortised cost	-	5,550,791	-	5,550,791	5,473,468
Loans, advances and financing	-	-	65,190,531	65,190,531	66,040,530
Financial liabilities					
Deposits from customers	-	71,612,056	-	71,612,056	71,611,798
Deposits and placements of banks and other financial institutions	-	4,001,702	-	4,001,702	2,611,984
Obligations on securities sold under repurchase agreements	-	856,451	-	856,451	858,647
Recourse obligations on loans and financing sold to Cagamas	-	808,408	-	808,408	703,048
Other borrowings	-	502,074	-	502,074	502,074
Subordinated obligations	-	1,972,911	-	1,972,911	1,967,064
2025					
Financial assets					
Deposits and placements with banks and other financial institutions	-	611,989	-	611,989	611,989
Financial investments at amortised cost	-	4,136,344	-	4,136,344	4,065,023
Loans, advances and financing	-	-	60,821,512	60,821,512	61,418,548
Financial liabilities					
Deposits from customers	-	65,835,148	-	65,835,148	65,834,954
Deposits and placements of banks and other financial institutions	-	3,485,876	-	3,485,876	2,054,909
Obligations on securities sold under repurchase agreements	-	1,719,678	-	1,719,678	1,724,476
Recourse obligations on loans and financing sold to Cagamas	-	975,692	-	975,692	905,646
Other borrowings	-	500,000	-	500,000	502,644
Subordinated obligations	-	1,847,294	-	1,847,294	1,872,304

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

49. FAIR VALUE MEASUREMENTS (CONT'D)

(c) Fair values of financial instruments not carried at fair value (cont'd)

The following table summarises the carrying amounts and the fair values of financial instruments of the Group and the Bank which are not carried at fair value in the statements of financial position. It does not include those short term/on demand financial assets and liabilities where the carrying amounts are approximate to their fair values. (cont'd)

BANK 2026	Fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
Financial assets					
Deposits and placements with banks and other financial institutions	-	452,056	-	452,056	452,056
Investment account placements	-	150,695	-	150,695	150,695
Financial investments at amortised cost	-	4,463,969	-	4,463,969	4,413,375
Loans, advances and financing	-	-	49,634,770	49,634,770	50,392,712
Financial liabilities					
Deposits from customers	-	53,848,375	-	53,848,375	53,848,137
Deposits and placements of banks and other financial institutions	-	3,621,262	-	3,621,262	2,357,461
Obligations on securities sold under repurchase agreements	-	856,451	-	856,451	858,647
Recourse obligations on loans and financing sold to Cagamas	-	808,408	-	808,408	703,048
Other borrowings	-	301,268	-	301,268	301,268
Subordinated obligations	-	1,771,973	-	1,771,973	1,767,518
2025					
Financial assets					
Deposits and placements with banks and other financial institutions	-	257,130	-	257,130	257,130
Financial investments at amortised cost	-	3,445,713	-	3,445,713	3,397,964
Loans, advances and financing	-	-	46,573,940	46,573,940	47,137,566
Financial liabilities					
Deposits from customers	-	49,776,766	-	49,776,766	49,776,588
Deposits and placements of banks and other financial institutions	-	3,107,804	-	3,107,804	1,844,421
Obligations on securities sold under repurchase agreements	-	1,719,678	-	1,719,678	1,724,476
Recourse obligations on loans and financing sold to Cagamas	-	672,258	-	672,258	604,096
Other borrowings	-	300,000	-	300,000	301,610
Subordinated obligations	-	1,749,799	-	1,749,799	1,772,176

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

49. FAIR VALUE MEASUREMENTS (CONT'D)**(c) Fair values of financial instruments not carried at fair value (cont'd)**

The methods and assumptions used in estimating the fair values of financial instruments are as follows:

(i) Financial investments at amortised cost

The fair values are estimated based on quoted or observable market prices at the end of the reporting period. Where such quoted or observable market prices are not available, the fair values are estimated using pricing models or discounted cash flow techniques. Where discounted cash flow technique is used, the expected future cash flows are discounted using prevailing market rates for a similar instrument at the end of the reporting period.

(ii) Loans, advances and financing

The fair values of fixed rate loans with remaining maturity of less than one year and variable rate loans are estimated to approximate their carrying values. For fixed rate loans and Islamic financing with remaining maturity of more than one year, the fair values are estimated based on expected future cash flows of contractual instalment payments and discounted at applicable prevailing rates at the end of the reporting period offered to new borrowers with similar credit profiles. In respect of impaired loans, the fair values represented by their carrying values, net of impairment allowances, will be the expected recoverable amount.

(iii) Deposits from customers, deposits and placements of banks and other financial institutions

The fair values of deposit liabilities payable on demand (demand and savings deposits), or deposits with maturity of less than one year are estimated to approximate their carrying amounts. The fair values of fixed deposits with remaining maturities of more than one year are estimated based on expected future cash flows discounted at applicable prevailing rates offered for deposits of similar remaining maturities. For negotiable instruments of deposits, the fair values are estimated based on quoted or observable market prices as at the end of the reporting period. Where such quoted or observable market prices are not available, the fair values of negotiable instruments of deposits are estimated using the discounted cash flow technique.

(iv) Recourse obligations on loans and financing sold to Cagamas

The fair values of recourse obligations on loans and financing sold to Cagamas are determined based on the discounted cash flows of future instalment payments at applicable prevailing Cagamas rates as at the end of the reporting period.

(v) Other borrowings and subordinated obligations

The fair value of the other borrowings and subordinated bonds/notes is estimated based on the discounted cash flows techniques using the current yield curve appropriate for the remaining term to maturity.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

50. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In accordance with MFRS 132 “Financial Instruments: Presentation”, the Group and the Bank report financial assets and financial liabilities on a net basis on the statements of financial position, only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangements on:

- (i) all financial assets and liabilities that are reported net on the statements of financial position; and
- (ii) all financial assets and liabilities that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for statements of financial position netting.

(a) Financial assets

	Gross amounts of recognised financial assets RM'000	Gross amounts of recognised financial liabilities set off in the statements of financial position RM'000	Net amounts of financial assets presented in the statements of financial position RM'000	Related amounts not set off in the statements of financial position		Net amount RM'000
				Financial instruments RM'00	Cash collateral received RM'000	
GROUP						
2026						
Derivative financial assets	348,763	-	348,763	(252,813)	(34,072)	61,878
GROUP						
2025						
Derivative financial assets	151,261	-	151,261	(104,027)	(21,056)	26,178
BANK						
2026						
Derivative financial assets	349,556	-	349,556	(252,813)	(34,072)	62,671
BANK						
2025						
Derivative financial assets	151,261	-	151,261	(104,027)	(21,056)	26,178

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

50. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

In accordance with MFRS 132 “Financial Instruments: Presentation”, the Group and the Bank report financial assets and financial liabilities on a net basis on the statements of financial position, only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangements on:

- (i) all financial assets and liabilities that are reported net on the statements of financial position; and
- (ii) all financial assets and liabilities that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for statements of financial position netting. (cont'd)

(b) Financial liabilities

	Gross amounts of recognised financial liabilities RM'000	Gross amounts of recognised financial assets set off in the statements of financial position RM'000	Net amounts of financial liabilities presented in the statements of financial position RM'000	Related amounts not set off in the statements of financial position		Net amount RM'000
				Financial instruments RM'00	Cash collateral pledged RM'000	
GROUP						
2026						
Derivative financial liabilities	580,873	-	580,873	(252,813)	(181,210)	146,850
GROUP						
2025						
Derivative financial liabilities	247,625	-	247,625	(104,027)	(104,225)	39,373
BANK						
2026						
Derivative financial liabilities	580,873	-	580,873	(252,813)	(181,210)	146,850
BANK						
2025						
Derivative financial liabilities	247,625	-	247,625	(104,027)	(104,225)	39,373

For the financial assets and liabilities subject to enforceable master netting arrangements or similar agreements, each agreement between the Group and the Bank and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis, however, each party to the master netting arrangement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

51. SEGMENT INFORMATION

The following segment information has been prepared in accordance with MFRS 8 “Operating Segments”, which defines the requirements for the disclosure of financial information of an entity’s operating segments. The operating segments results are prepared and provided to the chief operating decision-maker based on the Group’s internal management reporting reflective of the organisation’s management reporting structure.

Based on the results presented to the chief operating decision-maker, funds are allocated between segments and inter-segment funding cost transfers are reflected in net interest income. In addition to the operating segments, the segment information disclosed also includes inter-segment eliminations. Transactions between reportable segments are eliminated based on principles of consolidation as described in accounting policy. Intercompany transactions, balances and unrealised gains and losses on transactions between the Group’s companies are eliminated in inter-segment eliminations.

The Group is organised into the following key operating segments:

(i) Consumer Banking

Consumer Banking provides a wide range of personal banking solutions covering mortgages, term loans, personal loans, hire purchase facilities, credit cards and wealth management (cash management, investment services, share trading and bancassurance). Consumer Banking customers are serviced via branch network, call centre, electronic/ internet banking channels, and direct sales channels.

(ii) Business Banking

Business Banking segment covers SME, and Corporate and Commercial Banking. SME Banking customers comprise the self-employed, and small and medium scale enterprises. Corporate and Commercial Banking serves the public-listed and large corporate business customers including family-owned businesses. Business Banking provides a wide range of products and services including loans, trade finance, cash management, treasury and structured solutions.

(iii) Financial Markets

Financial Markets provides foreign exchange, money market, hedging and investment (capital market instruments) solutions for banking customers. It also manages the assets and liabilities, liquidity and statutory reserve requirements of the banking entities in the Group.

(iv) Others

Others refers to mainly other business operations such as alternative distribution channels, trustee services, head office, stockbroking (discontinued since financial year 2024) and corporate advisory services.

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

51. SEGMENT INFORMATION (CONT'D)

Group As at 31 March 2026	Consumer Banking RM'000		Business Banking RM'000		Financial Markets RM'000		Others RM'000		Total Operations RM'000		Inter- segment Elimination RM'000		Total RM'000	
Net interest income														
- External income/(expense)	540,592	570,370	370,220	(10,721)	1,470,461	13,734	1,484,195							
- Inter-segment	(53,910)	137,957	(84,047)	-	-	-	-							
	486,682	708,327	286,173	(10,721)	1,470,461	13,734	1,484,195							
Net income from Islamic banking business	250,339	203,055	100,904	19,764	574,062	8,323	582,385							
Other operating income	141,304	202,122	45,277	37,362	426,065	(26,421)	399,644							
Net income	878,325	1,113,504	432,354	46,405	2,470,588	(4,364)	2,466,224							
Other operating expenses	(506,044)	(457,388)	(56,098)	(36,896)	(1,056,426)	106	(1,056,320)							
Depreciation and amortisation	(62,302)	(48,728)	(5,779)	(9,134)	(125,943)	843	(125,100)							
Operating profit before allowance	309,979	607,388	370,477	375	1,288,219	(3,415)	1,284,804							
(Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	(163,182)	(53,526)	59	(662)	(217,311)	-	(217,311)							
Write-back of expected credit losses on financial investments	-	324	683	-	1,007	(469)	538							
Segment results	146,797	554,186	371,219	(287)	1,071,915	(3,884)	1,068,031							
Share of results of joint venture							55							
Taxation and zakat							(241,561)							
Net profit for the financial year							826,525							
Segment assets	36,966,157	36,815,996	18,221,772	416,763	92,420,688	(1,596,686)	90,824,002							
Reconciliation of segment assets to consolidated assets:														
Investment in joint venture							1,238							
Property, plant and equipment							602,997							
Tax recoverable and deferred tax assets							205,015							
Intangible assets							522,762							
Total assets							92,156,014							

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

51. SEGMENT INFORMATION (CONT'D)

Group As at 31 March 2025	Consumer Banking RM'000	Business Banking RM'000	Financial Markets RM'000	Others RM'000	Total Operations RM'000	Inter- segment Elimination RM'000	Total RM'000
Net interest income							
- External income/(expense)	582,137	558,454	302,581	(2,583)	1,440,589	10,538	1,451,127
- Inter-segment	(126,768)	131,257	(4,489)	-	-	-	-
Net income from Islamic banking business	455,369	689,711	298,092	(2,583)	1,440,589	10,538	1,451,127
Other operating income/(loss)	230,279	191,106	97,283	20,298	538,966	8,112	547,078
Net income	106,548	190,332	(25,893)	28,820	299,807	(28,073)	271,734
Other operating expenses	792,196	1,071,149	369,482	46,535	2,279,362	(9,423)	2,269,939
Depreciation and amortisation	(471,245)	(414,572)	(45,362)	(56,495)	(987,674)	180	(987,494)
Operating profit/(loss) before allowance (Allowance for)/write-back of expected credit losses on loans, advances and financing and other financial assets	(50,884)	(45,422)	(4,755)	(739)	(101,800)	795	(101,005)
Allowance for expected credit losses on financial investments	270,067	611,155	319,365	(10,699)	1,189,888	(8,448)	1,181,440
Segment results	(139,489)	(48,793)	68	267	(187,947)	-	(187,947)
Share of results of joint venture	-	(516)	(546)	-	(1,062)	447	(615)
Taxation and zakat	130,578	561,846	318,887	(10,432)	1,000,879	(8,001)	992,878
Net profit for the financial year							47
Segment assets	32,822,280	33,257,142	18,834,862	477,327	85,391,611	(1,408,966)	83,982,645
Reconciliation of segment assets to consolidated assets:							
Investment in joint venture							1,182
Property, plant and equipment							491,572
Tax recoverable and deferred tax assets							224,868
Intangible assets							517,038
Total assets							85,217,305

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2026

52. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant events relating to debt issuances and redemptions are disclosed in Note 26 to the financial statements.

53. SUBSEQUENT EVENT

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