

HSBC BANK MALAYSIA BERHAD
(Company No. 198401015221 (127776-V))
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2025

Domiciled in Malaysia
Registered Office:
Level 21, Menara IQ
Lingkaran TRX
Tun Razak Exchange
55188 Kuala Lumpur

HSBC BANK MALAYSIA BERHAD
(Company No. 198401015221 (127776-V))
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025

	Note	Group		Bank	
		30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
		RM'000	RM'000	RM'000	RM'000
Assets					
Cash and short-term funds	12	14,568,391	7,400,867	10,501,554	4,808,469
Securities purchased under resale agreements		7,017,642	8,057,630	6,699,689	8,057,630
Deposits and placements with banks and other financial institutions	13	2,330	–	2,781,711	2,327,507
Financial assets at fair value through profit and loss (FVTPL)	14	4,952,781	4,944,386	4,952,781	4,923,765
Financial investments at fair value through other comprehensive income (FVOCI)	15	15,909,431	17,362,622	14,213,799	15,099,252
Financial investments at amortised cost	16	12,424,555	11,322,701	9,975,368	9,331,308
Loans, advances and financing	17	43,445,376	45,537,518	30,080,710	31,426,025
Derivative financial assets	37	1,207,735	1,235,940	1,256,905	1,294,909
Other assets	20	2,077,342	1,890,265	2,330,015	2,059,247
Statutory deposits with Bank Negara Malaysia	21	275,141	646,958	154,526	388,997
Investments in subsidiary companies	22	–	–	1,161,084	1,161,084
Property and equipment		963,629	984,545	959,882	980,286
Tax recoverable		19,808	20,850	19,808	20,850
Deferred tax assets		92,769	140,117	57,235	102,613
Total assets		102,956,930	99,544,399	85,145,067	81,981,942
Liabilities					
Deposits from customers	23	76,750,491	75,107,057	63,017,390	61,661,268
Deposits and placements from banks and other financial institutions	24	3,931,309	2,153,119	4,205,590	2,320,528
Bills payable		147,666	145,963	132,938	136,776
Derivative financial liabilities	37	1,149,143	1,408,918	1,180,484	1,435,165
Structured liabilities designated at fair value through profit and loss	25	3,862,153	4,245,924	2,200,301	2,566,257
Other liabilities	26	3,596,089	3,188,433	3,234,641	2,840,172
Provision for taxation		132,137	97,911	96,707	57,378
Total liabilities		89,568,988	86,347,325	74,068,051	71,017,544
Equity					
Share capital and other equity	27	3,238,875	3,238,875	3,238,875	3,238,875
Reserves		10,149,067	9,958,199	7,838,141	7,725,523
Total equity attributable to owner of the Group and the Bank		13,387,942	13,197,074	11,077,016	10,964,398
Total liabilities and equity		102,956,930	99,544,399	85,145,067	81,981,942
Commitments and contingencies	36	260,287,783	226,805,006	249,388,129	217,273,020

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2024 and the accompanying explanatory notes on pages 11 to 48 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 28 October 2025.

HSBC BANK MALAYSIA BERHAD
(Company No. 198401015221 (127776-V))
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UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

Group

	<i>Note</i>	Third Quarter		Nine Months Ended	
		30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
		RM'000	RM'000	RM'000	RM'000
Interest income	28	718,271	775,954	2,194,854	2,298,284
Interest expense	28	(265,802)	(293,077)	(803,966)	(863,246)
Net interest income	28	452,469	482,877	1,390,888	1,435,038
Fee and commission income	29	158,495	140,636	460,172	432,999
Fee and commission expense	29	(31,530)	(33,817)	(77,370)	(72,923)
Net fee and commission income	29	126,965	106,819	382,802	360,076
Net (expense)/income from financial instruments held for trading or managed on a fair value basis	30	(68,939)	1,357,378	790,601	1,699,385
Income from Islamic banking operations	31	487,253	(899,175)	425,522	(437,989)
Other operating income	32	21,713	27,181	54,171	73,765
Operating income before expected credit loss (ECL)		1,019,461	1,075,080	3,043,984	3,130,275
ECL (charges)/written-back	33	(30,845)	(5,261)	(39,384)	26,614
Net operating income		988,616	1,069,819	3,004,600	3,156,889
Other operating expenses	34	(457,396)	(480,118)	(1,412,191)	(1,430,163)
Profit before tax		531,220	589,701	1,592,409	1,726,726
Tax expense		(139,484)	(142,032)	(399,816)	(427,717)
Profit for the financial period		391,736	447,669	1,192,593	1,299,009
Profit attributable to owner of the Group		391,736	447,669	1,192,593	1,299,009
Basic earnings per RM0.50 ordinary share		171.1 sen	195.5 sen	520.8 sen	567.3 sen
Dividends per RM0.50 ordinary share (net)					
- interim dividend paid in respect of the current period		262.8 sen	–	262.8 sen	–
- final dividend paid in respect of prior period		168.3 sen	–	168.3 sen	137.3 sen

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UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025 (Cont'd)

Bank

	<i>Note</i>	Third Quarter		Nine Months Ended	
		30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
		RM'000	RM'000	RM'000	RM'000
Interest income	28	741,581	790,747	2,260,374	2,344,020
Interest expense	28	(268,560)	(294,850)	(812,866)	(868,708)
Net interest income	28	473,021	495,897	1,447,508	1,475,312
Fee and commission income	29	157,185	139,935	457,564	431,322
Fee and commission expense	29	(31,530)	(33,817)	(77,370)	(72,923)
Net fee and commission income	29	125,655	106,118	380,194	358,399
Net income from financial instruments held for trading or managed on a fair value basis	30	195,017	235,642	561,640	622,801
Other operating income	32	138,375	91,796	402,296	307,628
Operating income before ECL		932,068	929,453	2,791,638	2,764,140
ECL (charges)/written-back	33	(21,377)	(3,723)	(21,485)	11,502
Net operating income		910,691	925,730	2,770,153	2,775,642
Other operating expenses	34	(432,173)	(456,838)	(1,336,892)	(1,359,654)
Profit before tax		478,518	468,892	1,433,261	1,415,988
Tax expense		(109,806)	(108,516)	(312,320)	(330,087)
Profit for the financial period		368,712	360,376	1,120,941	1,085,901
Profit attributable to owner of the Bank		368,712	360,376	1,120,941	1,085,901
Basic earnings per RM0.50 ordinary share		161.0 sen	157.4 sen	489.5 sen	474.2 sen
Dividends per RM0.50 ordinary share (net)					
- interim dividend paid in respect of the current period		262.8 sen	–	262.8 sen	–
- final dividend paid in respect of prior period		168.3 sen	–	168.3 sen	137.3 sen

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2024 and the accompanying explanatory notes on pages 11 to 48 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 28 October 2025.

HSBC BANK MALAYSIA BERHAD
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UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

Group

	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	391,736	447,669	1,192,593	1,299,009
Other comprehensive income/(expense)				
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation reserve:				
Deficit on revaluation of properties	–	–	–	(876)
Income tax effect	–	–	207	607
Own credit reserve:				
Change in fair value	1,884	5,199	5,929	6,831
Income tax effect	(452)	(1,248)	(1,423)	(1,639)
Fair value through other comprehensive income reserve (equity instruments):				
Change in fair value	–	–	11,327	11,928
Income tax effect	–	–	(2,718)	(2,863)
<i>Items that will subsequently be reclassified to profit or loss when specific conditions are met</i>				
Fair value through other comprehensive income reserve (debt instruments):				
Change in fair value	28,214	51,823	91,115	62,725
Amount transferred to profit or loss	(4,817)	(9,063)	(6,161)	(17,199)
ECL (written-back)/charges	(117)	258	(33)	404
Income tax effect	(9,945)	(10,263)	(20,390)	(10,926)
Other comprehensive income for the financial period, net of income tax	14,767	36,706	77,853	48,992
Total comprehensive income for the financial period	406,503	484,375	1,270,446	1,348,001
Total comprehensive income attributable to owner of the Group	406,503	484,375	1,270,446	1,348,001

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UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025 (Cont'd)

Bank

	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	368,712	360,376	1,120,941	1,085,901
Other comprehensive income/(expense)				
<i>Items that will not be reclassified to profit or loss</i>				
Revaluation reserve:				
Deficit on revaluation of properties	–	–	–	(876)
Income tax effect	–	–	207	607
Own credit reserve:				
Change in fair value	(167)	2,787	2,429	3,505
Income tax effect	40	(669)	(583)	(841)
Fair value through other comprehensive income reserve (equity instruments):				
Change in fair value	–	–	11,327	11,928
Income tax effect	–	–	(2,718)	(2,863)
<i>Items that will subsequently be reclassified to profit or loss when specific conditions are met</i>				
Fair value through other comprehensive income reserve (debt instruments):				
Change in fair value	22,873	42,827	85,774	50,896
Amount transferred to profit or loss	(4,817)	(9,063)	(6,161)	(17,199)
ECL (written-back)/charges	(77)	186	40	352
Income tax effect	(4,333)	(8,104)	(19,108)	(8,087)
Other comprehensive income for the financial period, net of income tax	13,519	27,964	71,207	37,422
Total comprehensive income for the financial period	382,231	388,340	1,192,148	1,123,323
Total comprehensive income attributable to owner of the Bank	382,231	388,340	1,192,148	1,123,323

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

Group (RM'000)	Non-distributable						Distributable		Total equity
	Share capital		Revaluation reserve	FVOCI reserve	Own credit reserve	Capital contribution reserve	Regulatory reserve	Retained profits	
	Ordinary shares	Preference shares							
2025									
Balance at 1 January	1,045,875	2,193,000	127,947	179,079	(771)	92,386	449,000	9,110,558	13,197,074
Profit for the financial period	-	-	-	-	-	-	-	1,192,593	1,192,593
Other comprehensive income, net of income tax									
Revaluation reserve:									
Transfer to retained profits for realisation of revaluation upon disposal of property	-	-	(2,082)	-	-	-	-	2,082	-
Transfer to retained profits upon realisation of depreciation	-	-	(1,040)	-	-	-	-	1,040	-
Deferred tax adjustment on revaluation reserve	-	-	207	-	-	-	-	-	207
FVOCI reserve/Own credit reserve									
Net change in fair value	-	-	-	79,334	4,506	-	-	-	83,840
Net amount transferred to profit or loss	-	-	-	(6,161)	-	-	-	-	(6,161)
ECL written-back	-	-	-	(33)	-	-	-	-	(33)
<i>Total other comprehensive (expense)/income</i>	-	-	(2,915)	73,140	4,506	-	-	3,122	77,853
Total other comprehensive (expense)/income for the financial period	-	-	(2,915)	73,140	4,506	-	-	1,195,715	1,270,446
Net change in regulatory reserves	-	-	-	-	-	-	(46,000)	46,000	-
Transactions with the owner, recorded directly in equity									
Share based payment transactions	-	-	-	-	-	(34)	-	(3,718)	(3,752)
Dividends paid to owner - 2024 final	-	-	-	-	-	-	-	(385,326)	(385,326)
Dividends paid to owner - 2025 interim	-	-	-	-	-	-	-	(601,783)	(601,783)
Dividends paid to preference shareholder	-	-	-	-	-	-	-	(88,717)	(88,717)
Balance at 30 September	1,045,875	2,193,000	125,032	252,219	3,735	92,352	403,000	9,272,729	13,387,942

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025 (Cont'd)

Group (RM'000)	Non-distributable						Distributable		Total equity
	Share capital		Revaluation reserve	FVOCI reserve	Own credit reserve	Capital contribution reserve	Regulatory reserve	Retained profits	
	Ordinary shares	Preference shares							
2024									
Balance at 1 January	1,045,875	1,500,000	131,503	163,985	(8,588)	92,689	367,100	9,022,327	12,314,891
Profit for the financial period	–	–	–	–	–	–	–	1,299,009	1,299,009
Other comprehensive income, net of income tax									
Revaluation reserve:									
Transfer to retained profits upon realisation of depreciation	–	–	(5,132)	–	–	–	–	5,132	–
Deficit on revaluation of properties	–	–	(876)	–	–	–	–	–	(876)
Deferred tax adjustment on revaluation reserve	–	–	607	–	–	–	–	–	607
FVOCI reserve/Own credit reserve									
Net change in fair value	–	–	–	56,736	5,192	–	–	–	61,928
Net amount transferred to profit or loss	–	–	–	(13,071)	–	–	–	–	(13,071)
ECL charges	–	–	–	404	–	–	–	–	404
<i>Total other comprehensive (expense)/income</i>	–	–	(5,401)	44,069	5,192	–	–	5,132	48,992
Total comprehensive (expense)/income for the financial period	–	–	(5,401)	44,069	5,192	–	–	1,304,141	1,348,001
Net change in regulatory reserves	–	–	–	–	–	–	52,500	(52,500)	–
Transactions with the owner, recorded directly in equity									
Share based payment transactions	–	–	–	–	–	1,336	–	(3,672)	(2,336)
Issuance of preference shares ^[1]	–	693,000	–	–	–	–	–	–	693,000
Dividends paid to owner - 2023 final	–	–	–	–	–	–	–	(314,500)	(314,500)
Dividends paid to owner - 2024 special	–	–	–	–	–	–	–	(700,000)	(700,000)
Dividends paid to preference shareholder	–	–	–	–	–	–	–	(59,331)	(59,331)
Balance at 30 September	1,045,875	2,193,000	126,102	208,054	(3,396)	94,025	419,600	9,196,465	13,279,725

[1] On 11 July 2024, the Group and the Bank issued RM700.0 million Additional Tier 1 preference shares, for which there were issuance cost of RM7.0 million. Details of the issuance are set out in Note 27.

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025 (Cont'd)

Bank (RM'000)	Non-distributable						Distributable		Total equity
	Share capital		Revaluation reserve	FVOCI reserve	Own credit reserve	Capital contribution reserve	Regulatory reserve	Retained profits	
	Ordinary shares	Preference shares							
2025									
Balance at 1 January	1,045,875	2,193,000	127,947	178,778	(486)	92,060	382,000	6,945,224	10,964,398
Profit for the financial period	-	-	-	-	-	-	-	1,120,941	1,120,941
Other comprehensive income, net of income tax									
Revaluation reserve:									
Transfer to retained profits for realisation of revaluation upon disposal of property	-	-	(2,082)	-	-	-	-	2,082	-
Transfer to retained profits upon realisation of depreciation	-	-	(1,040)	-	-	-	-	1,040	-
Deferred tax adjustment on revaluation reserve	-	-	207	-	-	-	-	-	207
FVOCI reserve/Own credit reserve									
Net change in fair value	-	-	-	75,275	1,846	-	-	-	77,121
Net amount transferred to profit or loss	-	-	-	(6,161)	-	-	-	-	(6,161)
ECL charges	-	-	-	40	-	-	-	-	40
<i>Total other comprehensive (expense)/income</i>	-	-	(2,915)	69,154	1,846	-	-	3,122	71,207
Total comprehensive (expense)/income for the financial year	-	-	(2,915)	69,154	1,846	-	-	1,124,063	1,192,148
Net change in regulatory reserves	-	-	-	-	-	-	(15,600)	15,600	-
Transactions with the owner, recorded directly in equity									
Share based payment transactions	-	-	-	-	-	(14)	-	(3,690)	(3,704)
Dividends paid to owner - 2024 final	-	-	-	-	-	-	-	(385,326)	(385,326)
Dividends paid to owner - 2025 interim	-	-	-	-	-	-	-	(601,783)	(601,783)
Dividends paid to preference shareholder	-	-	-	-	-	-	-	(88,717)	(88,717)
Balance at 30 September	1,045,875	2,193,000	125,032	247,932	1,360	92,046	366,400	7,005,371	11,077,016

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025 (Cont'd)

Bank (RM'000)	Non-distributable						Distributable		Total equity
	Share capital		Revaluation reserve	FVOCI reserve	Own credit reserve	Capital contribution reserve	Regulatory reserve	Retained profits	
	Ordinary shares	Preference shares							
2024									
Balance at 1 January	1,045,875	1,500,000	131,503	166,300	(4,081)	92,312	331,300	7,133,615	10,396,824
Profit for the financial period	-	-	-	-	-	-	-	1,085,901	1,085,901
Other comprehensive income, net of income tax									
Revaluation reserve:									
Transfer to retained profits upon realisation of depreciation	-	-	(5,132)	-	-	-	-	5,132	-
Deficit on revaluation of properties	-	-	(876)	-	-	-	-	-	(876)
Deferred tax adjustment on revaluation reserve	-	-	607	-	-	-	-	-	607
FVOCI reserve/Own credit reserve									
Net change in fair value	-	-	-	47,746	2,664	-	-	-	50,410
Net amount transferred to profit or loss	-	-	-	(13,071)	-	-	-	-	(13,071)
ECL written-back	-	-	-	352	-	-	-	-	352
<i>Total other comprehensive (expense)/income</i>	-	-	(5,401)	35,027	2,664	-	-	5,132	37,422
Total comprehensive (expense)/income for the financial period	-	-	(5,401)	35,027	2,664	-	-	1,091,033	1,123,323
Net change in regulatory reserves	-	-	-	-	-	-	34,900	(34,900)	-
Transactions with the owner, recorded directly in equity									
Share based payment transactions	-	-	-	-	-	1,360	-	(3,644)	(2,284)
Issuance of preference shares ^[1]	-	693,000	-	-	-	-	-	-	693,000
Dividends paid to owner - 2023 final	-	-	-	-	-	-	-	(314,500)	(314,500)
Dividends paid to owner - 2024 special	-	-	-	-	-	-	-	(700,000)	(700,000)
Dividends paid to preference shareholder	-	-	-	-	-	-	-	(59,331)	(59,331)
Balance at 30 September	1,045,875	2,193,000	126,102	201,327	(1,417)	93,672	366,200	7,112,273	11,137,032

[1] On 11 July 2024, the Group and the Bank issued RM700.0 million Additional Tier 1 preference shares, for which there were issuance cost of RM7.0 million. Details of the issuance are set out in Note 27.

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HSBC BANK MALAYSIA BERHAD
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Profit before tax	1,592,409	1,726,726	1,433,261	1,415,988
Adjustments for non-operating and non-cash items	(80,980)	(872,280)	(149,647)	(39,356)
Operating profit before working capital changes	1,511,429	854,446	1,283,614	1,376,632
Changes in working capital:				
Net changes in operating assets	3,512,731	1,360,558	2,166,235	(1,756,827)
Net changes in operating liabilities	3,010,291	4,025,613	2,925,233	5,261,807
Income tax paid	(342,301)	(347,844)	(248,773)	(273,433)
Net cash generated from operations	7,692,150	5,892,773	6,126,309	4,608,179
Net cash generated from/(used in) investing activities	551,200	(3,817,874)	642,602	(2,319,288)
Net cash generated from financing activities	(1,075,826)	(380,831)	(1,075,826)	(380,831)
	(524,626)	(4,198,705)	(433,224)	(2,700,119)
Net changes in cash and cash equivalents	7,167,524	1,694,068	5,693,085	1,908,060
Cash and cash equivalents at 1 January	7,400,867	10,643,890	4,808,469	7,973,830
Cash and cash equivalents at 30 September	14,568,391	12,337,958	10,501,554	9,881,890
Analysis of cash and cash equivalents				
Cash and short-term funds	14,568,391	12,337,958	10,501,554	9,881,890

Changes in liabilities arising from financing activities

There are no movements in change in liabilities arising from financing activities for the Group and the Bank for the financial period ended 30 September 2025 and 30 September 2024.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2024 and the accompanying explanatory notes on pages 11 to 48 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 28 October 2025.

HSBC BANK MALAYSIA BERHAD
(Company No. 198401015221 (127776-V))
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1 General Information

HSBC Bank Malaysia Berhad (the Bank) is principally engaged in the provision of banking and other related financial services. The subsidiaries of the Bank are principally engaged in the businesses of Islamic Banking and nominee services. Islamic Banking operations refer generally to the acceptance of deposits and granting of financing under the principles of Shariah. The Bank and its subsidiaries are collectively known as 'the Group'.

There were no significant changes in these activities during the financial period.

The Bank is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Bank is located at Level 21, Menara IQ, Lingkaran TRX, Tun Razak Exchange, 55188 Kuala Lumpur.

The immediate parent bank and the ultimate holding company during the financial period are The Hongkong and Shanghai Banking Corporation Limited (HBAP) and HSBC Holdings plc, respectively.

The unaudited condensed interim financial statements were approved and authorised for issue by the Board of Directors on 28 October 2025, any amendments made to the notes of the financial statement are in accordance with the delegated authority of the resolution of the Directors.

2 Basis of Preparation

The unaudited condensed interim financial statements for the financial period ended 30 September 2025 have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (MFRS) 134 'Interim Financial Reporting' and International Accounting Standard 34 'Interim Financial Reporting'. The unaudited condensed interim financial statements incorporate those activities relating to Islamic Banking which have been undertaken by the Bank's Islamic subsidiary.

The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2024. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and Bank since the financial year ended 31 December 2024.

(i) Standards and amendments to published standards that are effective and applicable to the Group and the Bank

The accounting policies, presentation, significant estimates and judgements adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2024, except for the adoption of the following amendments to MFRSs which are effective during the current financial period:

- Amendments to MFRS 121 on 'Lack of Exchangeability'

Currency is exchangeable when an entity is able to exchange it into another currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, then the currency is not exchangeable. In such cases, the entity is required to estimate the spot exchange rate at the measurement date.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2 Basis of Preparation (Cont'd)

(i) **Standards and amendments to published standards that are effective and applicable to the Group and the Bank (Cont'd)**

- Amendments to MFRS 121 on 'Lack of Exchangeability' (Cont'd)

The amendments do not specify how an entity estimates the spot exchange rate, but permit an entity to use observable exchange rate without adjustment or another estimation technique, provided it could meet the objective for estimating the spot exchange rate set out in the amendments.

The adoption of the above amendments does not give rise to any material financial impact to the Group and the Bank.

(ii) **Standards and amendments to published standards that have been issued but not yet effective to the Group and the Bank**

A number of new standards and amendments to standards and interpretations that are applicable to the Group and the Bank but are not yet effective have been issued.

Effective for annual periods commencing on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7 on 'Classification and Measurement of Financial Instruments'

The amendments to MFRS 9 and MFRS 7 are to:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group has not early adopted this new standard and is in the process of assessing the impact on the financial statements.

- Annual Improvements to MFRS Accounting Standards

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. Amendments that are part of Annual Improvements are:

- Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
- Amendments to MFRS 7 Financial Instruments: Disclosures;
- Amendments to MFRS 9 Financial Instruments
- Amendments to MFRS 10 Consolidated Financial Statements
- Amendments to MFRS 107 Statement of Cash Flows

The above is not expected to have a significant effect on the financial statements of the Group and the Bank.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2 Basis of Preparation (Cont'd)

(ii) Standards and amendments to published standards that have been issued but not yet effective to the Group and the Bank (Cont'd)

Effective for annual periods commencing on or after 1 January 2027

- MFRS 18 'Presentation and Disclosure in Financial Statements' replaces MFRS 101 'Presentation of Financial Statements'

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

- Income and expenses are classified into 3 new main categories:
 - Operating category which typically includes results from the main business activities;
 - 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
 - Financing category that presents income and expenses from financing liabilities.
- 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 (MPMs) are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards. Changes are also made to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

The Group has not early adopted this new standard and is in the process of assessing the impact on the financial statements.

3 Functional and Presentation Currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Bank's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

4 Auditors' Report On Preceding Annual Financial Statements

The audit report on the audited annual financial statements for the financial year ended 31 December 2024 was not subject to any qualification.

5 Seasonal or Cyclical Factors

The business operations of the Group and Bank are not subject to material seasonal or cyclical fluctuations.

6 Unusual Items due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and Bank for the financial period ended 30 September 2025.

7 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and Bank for the financial period ended 30 September 2025.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale or repayment of debt and equity securities during the financial period ended 30 September 2025.

9 Dividend

The dividends paid since the end of the previous financial year were as follows:

	Total (RM'million)
Ordinary shares	
<i>In respect of financial year ended 31 December 2024:</i>	
– Final dividend of 168.26 sen (paid on 8 May 2025)	385.3
<i>In respect of financial period ended 30 June 2025:</i>	
– Interim dividend of 262.79 sen (paid on 30 September 2025)	601.8
Preference shares	
– Annual dividend of 3-month KLIBOR plus 36 basis points per annum (paid on 30 June 2025)	59.8
– Annual dividend of 3-month KLIBOR plus 50 basis points per annum (paid on 11 July 2025)	28.9

10 Carrying Amount of Revalued Assets

Property and equipment are stated at cost/valuation less accumulated depreciation and impairment losses (if any) except for freehold land which is stated at professional valuation. There was no change in the valuation of property and equipment that was brought forward from the previous audited financial statements for the financial year ended 31 December 2024 .

11 Significant and Subsequent Events

In October 2025, the Group and the Bank had:

a) declared special dividend of 436.68 sen per ordinary share amounting to RM1,000.0 million in respect of the current financial period on the fully issued and paid up ordinary shares of the Bank.

The total dividend amount declared was converted to new non-cumulative and non-convertible redeemable perpetual preference shares ('preference share') amounting to RM1,000.0 million.

b) issued non-cumulative and non-convertible redeemable perpetual preference shares ('preference share') amounting to RM1,000.0 million, with issuance cost amounting to RM 10.0 million via the issuance of 1,000,000,000 new preference share at a consideration of RM 1 each arising from dividend conversion plan.

The preference shares qualify as Additional Tier 1 capital of the Group and the Bank as per the Capital Adequacy Framework (Capital Components) issued by Bank Negara Malaysia.

Other than the above, there were no other material events subsequent to the date of the statement of financial position that require disclosure or adjustments to the unaudited condensed interim financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12 Cash and Short-Term Funds

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	1,474,979	806,970	1,306,330	616,028
Money at call and interbank placements with original maturities of three months or less	13,093,412	6,593,897	9,195,224	4,192,441
	14,568,391	7,400,867	10,501,554	4,808,469

Included in Cash and Short-Term Funds of the Bank are placements with the Bank's wholly owned subsidiary, HSBC Amanah Malaysia Berhad (HBMS) of RM108,516,000 as at 30 September 2025 (31 December 2024: RM1,000).

Money at call and interbank placements with original maturities of three months or less is within stage 1 allocation (12-month ECL) with ECL of RM20,000 for the Group and RM14,000 for the Bank as at 30 September 2025 (31 December 2024: RM21,000 for the Group and RM17,000 for the Bank).

13 Deposits and Placements with Banks and Other Financial Institutions

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Licensed banks	2,330	–	2,781,711	2,327,507

Included in Deposits and Placements with Banks and Other Financial Institutions of the Bank are placements with the Bank's wholly owned subsidiary, HSBC Amanah Malaysia Berhad (HBMS) of RM2,781.7 million (31 December 2024: RM2,327.5 million).

The balance is within Stage 1 allocation (12-month ECL) with no ECL required for the Group and the Bank as at 30 September 2025 and 31 December 2024.

14 Financial Assets at Fair Value through Profit and Loss (FVTPL)

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Money market instruments:				
Malaysian Government treasury bills	348,091	205,226	348,091	205,226
Malaysian Government Islamic treasury bills	134,342	857,646	134,342	837,025
Malaysian Government securities	2,534,338	2,566,984	2,534,338	2,566,984
Malaysian Government Islamic Sukuk	462,742	182,479	462,742	182,479
Cagamas bonds and notes	550,555	622,657	550,555	622,657
Negotiable Instruments of Deposits	650,044	500,075	650,044	500,075
	4,680,112	4,935,067	4,680,112	4,914,446
Unquoted:				
Corporate bonds and Sukuk	272,669	9,319	272,669	9,319
	4,952,781	4,944,386	4,952,781	4,923,765

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

15 Financial Investments at Fair Value through Other Comprehensive Income (FVOCI)

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Debt instruments				
Money market instruments:				
Bank Negara Malaysia bills	2,926,075	4,438,692	2,926,075	4,438,692
Bank Negara Malaysia Islamic bills	1,741,976	663,572	1,741,976	663,572
Malaysian Government Islamic treasury bills	–	591,171	–	–
Malaysian Government securities	5,996,137	6,262,155	5,996,137	6,262,155
Malaysian Government Islamic Sukuk	4,564,833	4,275,630	2,869,201	2,603,431
US treasury bond	421,178	883,497	421,178	883,497
	15,650,199	17,114,717	13,954,567	14,851,347
Equity instruments designated as FVOCI				
Unquoted Shares, of which:	259,232	247,905	259,232	247,905
<i>Cagamas Holdings Berhad</i>	215,515	205,156	215,515	205,156
<i>Credit Guarantee Corporation Malaysia Berhad</i>	37,013	36,569	37,013	36,569
<i>Others</i>	6,704	6,180	6,704	6,180
	15,909,431	17,362,622	14,213,799	15,099,252

The Group and the Bank have elected to designate these equity instruments at fair value through other comprehensive income as these instruments are held for business facilitation and not to generate a capital return. Gains or losses on the derecognition of these equity securities are not transferred to profit or loss.

The maturity structure of money market instruments held as financial investments at FVOCI is as follows:

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	7,185,848	8,831,782	6,425,620	7,325,689
More than one year to three years	5,451,461	3,926,431	4,722,977	3,531,741
More than three years to five years	3,012,890	4,356,504	2,805,970	3,993,917
	15,650,199	17,114,717	13,954,567	14,851,347

There are no FVOCI balances that are pledged against Repurchase Agreement as at 30 September 2025 and 31 December 2024.

Financial investments at FVOCI are within stage 1 allocation (12-month ECL) with RM1,190,000 ECL for the Group and RM1,066,000 for the Bank as at 30 September 2025 (31 December 2024: RM1,224,000 for the Group and RM1,026,000 for the Bank). The carrying amount of financial investments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16 Financial Investments at Amortised Cost

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Debt instruments				
Money market instruments:				
Malaysian Government Islamic Sukuk	6,259,927	4,963,406	4,330,932	3,347,546
Malaysian Government securities	5,344,567	5,684,002	5,344,567	5,684,002
Unquoted:				
Corporate Sukuk	820,061	675,293	299,869	299,760
	12,424,555	11,322,701	9,975,368	9,331,308

Included in the financial investments at amortised cost of the Group and the Bank as at 30 September 2025 is Malaysian Government securities set aside as Deferred Net Settlement (DNS) collateral for Retail Payment Settlement in RENTAS amounting to RM190.0 million (31 December 2024: RM65.0 million). Withdrawal and substitution of DNS Collateral is subject to approval by Bank Negara Malaysia (BNM) and Payments Network Malaysia Sdn Bhd (PayNet).

Financial investments at amortised cost are within stage 1 allocation (12-month ECL) with RM1,434,000 ECL for the Group and RM1,126,000 for the Bank as at 30 September 2025 (31 December 2024: RM1,486,000 for the Group and RM1,178,000 for the Bank).

17 Loans, Advances and Financing

(i) By type

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Overdrafts/cash line	574,415	762,384	502,245	692,560
Term loans/financing:				
Housing loans/financing	13,658,621	13,899,367	9,968,765	10,230,494
Syndicated term loans/financing	2,188,665	2,220,284	892,052	884,908
Factoring receivables	2,140,470	2,861,187	2,140,470	2,861,187
Hire purchase receivables	117,076	137,726	–	–
Other term loans/financing	7,362,959	7,743,954	3,684,139	3,723,535
Bills receivable	4,577,449	3,834,665	3,420,249	2,550,285
Trust receipts	2,745,879	4,214,626	2,034,682	3,601,859
Claims on customers under acceptance credits	–	243,394	–	166,089
Staff loans/financing	37,965	38,542	37,064	37,617
Credit/charge cards	4,330,774	4,248,446	3,118,430	3,016,835
Revolving financing	6,220,235	5,884,951	4,541,975	3,949,091
Other loans/financing	9,046	9,351	6,451	6,649
Gross loans, advances and financing ^[1]	43,963,554	46,098,877	30,346,522	31,721,109
Less: ECL	(518,178)	(561,359)	(265,812)	(295,084)
Total net loans, advances and financing	43,445,376	45,537,518	30,080,710	31,426,025

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

17 Loans, Advances and Financing (Cont'd)

(i) By type (Cont'd)

[1] Included in gross loans, advances and financing of the Bank are Syndicated Investment Account for Financing/Investment Agency Account (SIAF/IAA) financing which are disclosed as 'Asset Under Management' in the financial statements of HBMS. SIAF/IAA arrangement is with the Bank's wholly owned subsidiary, HBMS, and the contract is based on the Wakalah principle where the Bank, solely or together with other financial institutions provide the funds, whilst the assets are managed by HBMS (as the Wakeel or agent). However, in the arrangement, the profits of the underlying assets are recognised by the Bank proportionately in relation to the funding it provides in the syndication arrangement. At the same time, risks on the financing are also proportionately borne by the Bank. Hence, the underlying assets and allowances for impairment arising thereon, if any, are proportionately recognised and accounted for by the Bank. These comprise of the following types of financing:

	<i>Bank</i>	
	30 Sep 2025	31 Dec 2024
	RM'000	RM'000
Syndicated term financing	309,479	318,786
Other term financing	378,312	474,729
Revolving financing	1,000,567	770,629
Trade financing	21,301	15,409
Gross loans, advances and financing	1,709,659	1,579,553
Less: ECL	(39)	(81)
Total net loans, advances and financing	1,709,620	1,579,472

(ii) By type of customer

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Domestic non-bank financial institutions	580,251	451,542	414,929	214,085
Domestic business enterprises:				
Small medium enterprises	2,032,375	2,609,740	1,242,294	1,696,110
Others	18,417,543	18,629,679	13,648,779	13,220,520
Government and statutory bodies	184,308	1,249	2,259	1,249
Individuals	16,898,381	17,257,408	11,640,813	11,904,974
Other domestic entities	1,223	673	854	156
Foreign entities/individuals	5,849,473	7,148,586	3,396,594	4,684,015
	43,963,554	46,098,877	30,346,522	31,721,109

(iii) By residual contractual maturity

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Maturity within one year	22,104,123	24,064,580	16,225,008	17,295,785
More than one year to three years	2,940,542	2,704,673	1,219,322	1,328,354
More than three years to five years	3,071,438	3,166,033	1,920,107	1,766,568
More than five years	15,847,451	16,163,591	10,982,085	11,330,402
	43,963,554	46,098,877	30,346,522	31,721,109

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

17 Loans, Advances and Financing (Cont'd)

(iv) By interest/profit rate sensitivity

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
Hire purchase receivables	117,076	137,726	–	–
Other fixed rate loans/financing	12,521,570	13,473,656	8,920,716	9,708,348
Variable rate:				
Base Rate/Base Lending/Financing Rate	13,185,048	14,268,406	9,718,602	10,543,745
Cost-plus	18,139,860	18,219,089	11,707,204	11,469,016
	43,963,554	46,098,877	30,346,522	31,721,109

(v) By sector

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Agricultural, hunting, forestry and fishing	35,176	47,884	34,327	44,276
Mining and quarrying	344,368	329,260	227,379	192,879
Manufacturing	8,170,035	7,980,674	6,918,650	6,375,683
Electricity, gas and water	524,169	334,073	249,921	237,688
Construction	2,186,059	2,071,655	1,154,993	1,244,449
Real estate	1,783,825	1,904,718	546,181	684,409
Wholesale & retail trade and restaurants & hotels	3,700,250	4,474,372	2,802,758	3,453,542
Transport, storage and communication	832,659	1,056,076	629,551	751,755
Finance, insurance and business services	2,962,534	2,946,452	2,445,853	1,920,843
Household-retail	19,679,559	19,909,745	13,893,713	14,071,106
Others	3,744,920	5,043,968	1,443,196	2,744,479
	43,963,554	46,098,877	30,346,522	31,721,109

(vi) By purpose

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Purchase of property:				
Residential	13,676,463	13,917,975	9,986,383	10,248,867
Non residential	836,454	954,500	412,597	463,302
Purchase of securities	1,786	2,000	1,786	2,000
Purchase of transport vehicles	14,872	14,856	14,241	14,219
Purchase of fixed assets excluding land & building	117,447	138,190	–	–
Consumption credit	5,823,708	5,785,745	3,837,153	3,742,845
Construction	1,694,034	1,800,000	1,096,950	1,177,793
Working capital	18,451,969	18,915,127	13,757,241	13,479,965
Others	3,346,821	4,570,484	1,240,171	2,592,118
	43,963,554	46,098,877	30,346,522	31,721,109

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

17 Loans, Advances and Financing (Cont'd)

(vii) By geographical distribution

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Northern Region	5,810,948	5,919,567	4,491,816	4,653,646
Southern Region	6,097,780	6,591,344	4,702,189	4,682,639
Central Region	30,965,918	32,380,973	20,289,487	21,437,991
Eastern Region	1,088,908	1,206,993	863,030	946,833
	43,963,554	46,098,877	30,346,522	31,721,109

Concentration by location for loans, advances and financing is based on the location of branches where facilities were captured.

The Northern region consists of the states of Perlis, Kedah, Penang, Perak, Pahang, Kelantan and Terengganu.

The Southern region consists of the states of Johor, Melaka and Negeri Sembilan.

The Central region consists of the state of Selangor, the Federal Territory of Kuala Lumpur and the Federal Territory of Putrajaya.

The Eastern region consists of the states of Sabah, Sarawak and the Federal Territory of Labuan.

18 Impaired Loans, Advances and Financing

(i) Gross carrying amount movement of loans, advances and financing classified as credit impaired:

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Gross carrying amount as at 1 January	1,430,940	1,805,575	920,961	1,192,126
Transfer within stages	(328,838)	(43,524)	(195,321)	(36,442)
Repayment	(2,273)	(40,457)	(4,662)	(42,027)
Written-off	(140,668)	(290,654)	(80,213)	(192,696)
Gross carrying amount as at 30 September / 31 December	959,161	1,430,940	640,765	920,961

(ii) By sector

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Agricultural, hunting, forestry and fishing	3,222	3,471	3,222	3,467
Mining and quarrying	2,983	–	2,023	–
Manufacturing	5,433	7,258	4,140	7,258
Electricity, gas and water	57,414	64,859	4,021	7,874
Construction	59,271	77,277	58,556	58,136
Real estate	42,524	56,172	42,524	56,172
Wholesale & retail trade, restaurants & hotels	16,483	12,762	10,733	10,971
Transport, storage and communication	890	4,081	–	4
Finance, insurance and business services	5,573	6,222	374	6,222
Household-retail	765,368	1,198,838	515,172	770,857
	959,161	1,430,940	640,765	920,961

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18 Impaired Loans, Advances and Financing (Cont'd)

(iii) By purpose

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Purchase of property:				
Residential	576,258	785,984	407,016	552,313
Non residential	8,016	15,147	4,521	11,522
Consumption credit	185,914	408,022	107,297	217,337
Construction	34,943	35,830	34,676	34,260
Working capital	154,030	185,957	87,255	105,529
	959,161	1,430,940	640,765	920,961

(iv) By geographical distribution

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Northern Region	124,891	153,279	98,492	125,789
Southern Region	137,386	199,454	113,931	160,713
Central Region	669,788	1,034,097	403,184	596,704
Eastern Region	27,096	44,110	25,158	37,755
	959,161	1,430,940	640,765	920,961

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

19 ECL allowances

(i) Movements in ECL allowances for loans, advances and financing

The following table shows reconciliation from the opening to the closing balance of the ECL allowance for customer loans, advances and financing:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-month	Lifetime	Lifetime	
	ECL not	ECL not	ECL	
	credit	credit	credit	
	impaired	impaired	impaired	Total
Group	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2025	64,954	161,406	334,999	561,359
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	47,270	(41,473)	(5,797)	–
- Transferred to stage 2	(6,504)	69,882	(63,378)	–
- Transferred to stage 3	(346)	(5,231)	5,577	–
New financial assets originated or purchased	15,290	–	–	15,290
Net remeasurement due to changes in credit risk and assets derecognised	(57,364)	25,170	121,958	89,764
Asset written-off	–	–	(140,668)	(140,668)
Others	–	–	(7,567)	(7,567)
Balance at 30 September 2025	63,300	209,754	245,124	518,178
Balance at 1 January 2024	78,954	220,552	517,527	817,033
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	70,921	(59,624)	(11,297)	–
- Transferred to stage 2	(8,518)	15,044	(6,526)	–
- Transferred to stage 3	(555)	(6,429)	6,984	–
New financial assets originated or purchased	16,405	–	–	16,405
Net remeasurement due to changes in credit risk and assets derecognised	(92,253)	(8,137)	126,386	25,996
Asset written-off	–	–	(290,654)	(290,654)
Others	–	–	(7,421)	(7,421)
Balance at 31 December 2024	64,954	161,406	334,999	561,359

The Group and the Bank measure the ECL using the three-stage approach. The following section explains how significant changes in the gross carrying amount of loans, advances and financing during the year have contributed to the changes in the ECL allowances for the Group under the expected credit loss model.

Total ECL allowances decreased by RM43.2 million for the Group compared to the balance at the beginning of the year. This net decrease was mainly contributed by asset written off (RM140.7 million), partially offset by remeasurement due to changes in credit risk and assets derecognised (RM89.8 million) and new financial assets originated or purchased (RM15.3 million).

- 12-month ECL not credit impaired (stage 1) – decreased by RM1.7 million for the Group, mainly from net remeasurement due to changes in credit risk, partially offset by net migration of loans, advances and financing from stages 2 and 3 due to improved credit quality and new financial assets originated or purchased.
- Lifetime ECL not credit-impaired (stage 2) – increased by RM48.3 million for the Group, mainly from net remeasurement due to changes in credit risk and net migration of loans, advances and financing from stages 1 and 3.
- Lifetime ECL credit-impaired (stage 3) – decreased by RM89.9 million for the Group, primarily from asset written-off and net migration of loans, advances and financing to stages 1 and 2, partially offset by net remeasurement due to changes in credit risk and assets derecognised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

19 ECL allowances (Cont'd)

(i) Movements in ECL allowances for loans, advances and financing (Cont'd)

	Stage 1	Stage 2	Stage 3	
	12-month ECL not credit impaired	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Bank	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2025	38,739	64,410	191,935	295,084
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	20,016	(16,013)	(4,003)	–
- Transferred to stage 2	(3,506)	33,333	(29,827)	–
- Transferred to stage 3	(192)	(2,378)	2,570	–
New financial assets originated or purchased	10,658	–	–	10,658
Net remeasurement due to changes in credit risk and assets derecognised	(27,997)	7,963	62,570	42,536
Asset written-off	–	–	(80,213)	(80,213)
Others	–	–	(2,253)	(2,253)
Balance at 30 September 2025	37,718	87,315	140,779	265,812
Balance at 1 January 2024	45,178	103,335	319,654	468,167
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	32,871	(25,840)	(7,031)	–
- Transferred to stage 2	(4,699)	8,476	(3,777)	–
- Transferred to stage 3	(250)	(2,545)	2,795	–
New financial assets originated or purchased	11,278	–	–	11,278
Net remeasurement due to changes in credit risk and assets derecognised	(45,639)	(19,016)	76,033	11,378
Asset written-off	–	–	(192,696)	(192,696)
Others	–	–	(3,043)	(3,043)
Balance at 31 December 2024	38,739	64,410	191,935	295,084

The total ECL allowances decreased by RM29.3 million for the Bank compared to the balance at the beginning of the year. This net decrease was mainly contributed by asset written-off (RM80.2 million), partially offset by remeasurement due to changes in credit risk and assets derecognised (RM42.5 million) and new financial assets originated or purchased (RM10.7 million).

- 12-month ECL not credit impaired (stage 1) – decreased by RM1.0 million for the Bank mainly contributed by net remeasurement due to changes in credit risk and assets derecognised, partially offset by net migration of loans and advances from stages 2 and 3 due to improved credit quality and new financial assets originated or purchased.
- Lifetime ECL not credit-impaired (stage 2) – increased by RM22.9 million for the Bank, mainly due to net migration of loans and advances from stages 1 and 3 and net remeasurement due to changes in credit risk and assets derecognised.
- Lifetime ECL credit-impaired (stage 3) – decreased by RM51.2 million, primarily from asset written-off and net migration of loans and advances to stages 1 and 2, partially offset by net remeasurement due to changes in credit risk and assets derecognised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

19 ECL allowances movement (Cont'd)

(ii) Movements in ECL allowances for loan commitments

The following table shows reconciliation from the opening to the closing balance of the ECL allowance for loan commitments:

	Stage 1	Stage 2	Stage 3	
	12-month ECL not credit impaired RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
Group				
Balance at 1 January 2025	10,047	3,397	78,993	92,437
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	580	(580)	-	-
- Transferred to stage 2	(253)	253	-	-
- Transferred to stage 3	(11)	-	11	-
New financial assets originated or purchased	274	-	-	274
Net remeasurement due to changes in credit risk and assets derecognised	(3,264)	(509)	20,800	17,027
Others	-	-	(2,715)	(2,715)
Balance at 30 September 2025	7,373	2,561	97,089	107,023
Balance at 1 January 2024	9,569	7,228	72,844	89,641
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	1,195	(1,195)	-	-
- Transferred to stage 2	(265)	265	-	-
- Transferred to stage 3	(7)	-	7	-
New financial assets originated or purchased	733	-	-	733
Net remeasurement due to changes in credit risk and assets derecognised	(1,178)	(2,901)	8,570	4,491
Others	-	-	(2,428)	(2,428)
Balance at 31 December 2024	10,047	3,397	78,993	92,437

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

19 ECL allowances movement (Cont'd)

(ii) Movements in ECL allowances for loan commitments (Cont'd)

	Stage 1	Stage 2	Stage 3	
	12-month ECL not credit impaired RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
Bank				
Balance at 1 January 2025	7,714	1,959	54,764	64,437
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	213	(213)	–	–
- Transferred to stage 2	(56)	56	–	–
- Transferred to stage 3	(6)	–	6	–
New financial assets originated or purchased	208	–	–	208
Net remeasurement due to changes in credit risk and assets derecognised	(2,118)	(510)	9,362	6,734
Others	–	–	(2,699)	(2,699)
Balance at 30 September 2025	5,955	1,292	61,433	68,680
Balance at 1 January 2024	6,836	5,225	45,095	57,156
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	848	(848)	–	–
- Transferred to stage 2	(179)	179	–	–
- Transferred to stage 3	(6)	–	6	–
New financial assets originated or purchased	478	–	–	478
Net remeasurement due to changes in credit risk and assets derecognised	(263)	(2,597)	12,191	9,331
Others	–	–	(2,528)	(2,528)
Balance at 31 December 2024	7,714	1,959	54,764	64,437

For retail portfolio, the split of ECL allowance for drawn amount and provision for undrawn commitments is not available. In accordance to MFRS 7 Financial Instruments disclosure, the provisions for the loans, financing and other credit related commitments for retail portfolio are presented together with the allowance for the drawn loans, advances and financing.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20 Other Assets

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Settlements	910,533	665,492	910,009	621,390
Interest/profit receivable	292,726	281,441	261,412	250,361
Income receivable	75,966	60,752	130,923	73,633
Deposits and prepayments	12,282	5,051	11,281	5,051
Amount due from subsidiary company	–	–	243,094	246,492
Rights of Use (ROU) assets	48,411	41,140	27,558	20,457
Cash collateral	40,014	283,807	40,014	283,807
Intangible assets	9,747	10,903	9,747	10,903
Property held for sale	6,116	8,692	6,116	8,692
Other receivables	681,547	532,987	689,861	538,461
	2,077,342	1,890,265	2,330,015	2,059,247

21 Statutory Deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia in compliance with Section 26(2)(c) and 26(3) of the Central Bank of Malaysia Act 2009, the amounts of which are determined at set percentages of total eligible liabilities. BNM has lowered the Statutory Reserve Requirement (SRR) Ratio requirement from 2% to 1% with effect from 16 May 2025.

22 Investments in Subsidiary Companies

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Investments in Subsidiary Companies				
Unquoted shares, at cost - in Malaysia	–	–	660,021	660,021
Additional Tier 1 USD Wakalah Financing Facility	–	–	501,063	501,063
	–	–	1,161,084	1,161,084

Unquoted shares, at cost - in Malaysia

The subsidiary companies of the Bank are as follows:

<i>Name</i>	<i>Principal activities</i>	<i>Percentage of equity held</i>	
		30 Sep 2025	31 Dec 2024
HSBC Amanah Malaysia Berhad (HBMS)	Islamic banking and related financial services	100%	100%
HSBC (Kuala Lumpur) Nominees Sdn Bhd	Nominees, trustees or agents to receive securities for safe custody and management	100%	100%
HSBC Nominees (Tempatan) Sdn Bhd		100%	100%
HSBC Nominees (Asing) Sdn Bhd		100%	100%

All income and expenditure arising from the activities of subsidiaries which are nominee companies were recognised in the Bank's results, in respect of which the right of recovery has been waived. None of the subsidiaries hold shares in holding company and other related corporations.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

22 Investments in Subsidiary Companies (Cont'd)

Additional Tier 1 USD Wakalah Financing Facility

The Bank subscribed to a USD Wakalah Financing Facility (the Facility) equivalent to RM501 million issued by its subsidiary, HSBC Amanah Malaysia Berhad (HBMS) in August 2022. The Facility qualifies as Additional Tier 1 capital of HBMS as per the Capital Adequacy Framework for Islamic Banks (Capital Components) issued by BNM.

The Facility will be perpetual with no fixed maturity and may be callable at the option of HBMS only after a period of five years, subject to prior approval from BNM. The expected returns generated from the Wakalah investments pursuant to the disbursement of the Facility are payable on a semi-annual basis (at the full discretion of HBMS at all times) at the rate of compounded Secured Overnight Funding Rate (SOFR) plus 137 basis points. The Facility has no step-up features, or any other terms that may create an expectation that the option for prepayment will be exercised. The Facility meets the requirements of equity classification in HBMS as per MFRS 132 'Financial instruments: Presentation'.

23 Deposits from Customers

(i) By type of deposit	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025 RM'000	31 Dec 2024 RM'000	30 Sep 2025 RM'000	31 Dec 2024 RM'000
Demand deposits	29,730,911	27,828,822	25,773,385	24,423,155
Savings deposits	16,118,880	16,494,870	13,015,780	13,432,587
Fixed deposits	30,900,700	30,783,365	24,228,225	23,805,526
	76,750,491	75,107,057	63,017,390	61,661,268

The maturity structure of fixed deposits is as follows:

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025 RM'000	31 Dec 2024 RM'000	30 Sep 2025 RM'000	31 Dec 2024 RM'000
Due within six months	25,026,682	24,834,114	19,468,032	19,150,121
More than six months to one year	5,157,654	5,131,430	4,235,330	4,087,773
More than one year to three years	496,459	527,802	362,342	358,232
More than three years to five years	219,905	290,019	162,521	209,400
	30,900,700	30,783,365	24,228,225	23,805,526

(ii) By type of customer	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025 RM'000	31 Dec 2024 RM'000	30 Sep 2025 RM'000	31 Dec 2024 RM'000
Government and statutory bodies	11,549	24,599	1,296	12,983
Business enterprises	29,844,335	29,093,707	26,368,728	26,139,781
Individuals	28,220,836	28,108,782	22,434,397	22,360,791
Foreign entities/individuals	16,613,602	15,897,388	13,111,148	12,129,446
Others	2,060,169	1,982,581	1,101,821	1,018,267
	76,750,491	75,107,057	63,017,390	61,661,268

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

24 Deposits and Placements from Banks and Other Financial Institutions

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Licensed banks	29,396	38,981	323,055	238,981
Bank Negara Malaysia	177,671	209,294	158,311	200,045
Other financial institutions	3,724,242	1,904,844	3,724,224	1,881,502
	3,931,309	2,153,119	4,205,590	2,320,528

25 Structured Liabilities Designated at Fair Value through Profit or Loss

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Structured liabilities	3,862,153	4,245,924	2,200,301	2,566,257

Structured liabilities are measured at fair value over the life of the instruments. Structured liabilities are customer placements with embedded derivatives, of which both interest/profit paid and fair valuation on the structured liabilities are recorded in net (expense)/income from financial investments designated at fair value.

26 Other Liabilities

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Settlements	353,432	325,491	351,121	324,784
Interest/profit payable	263,500	295,288	206,454	231,248
Deferred income	168,983	172,953	150,484	154,280
Marginal deposit	214,253	160,342	197,454	148,430
Amount due to subsidiary company	–	–	538	752
Accrued expenses	588,533	661,199	571,181	638,261
Lease liabilities	49,098	45,207	27,508	22,582
Cash collateral	352,534	155,019	352,534	155,019
Other creditors	1,498,733	1,280,497	1,308,687	1,100,379
Provisions on loan and credit related commitments; and financial guarantees ^[1]	107,023	92,437	68,680	64,437
	3,596,089	3,188,433	3,234,641	2,840,172

^[1] Refer to Note 19(ii) for movement in provision.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27 Share Capital and Other Equity

	<i>Group and Bank</i>			
	30 Sep 2025		31 Dec 2024	
	Number of Shares ('000)	RM'000	Number of Shares ('000)	RM'000
Share capital, issued and fully paid				
<u>Ordinary shares of RM0.50 each</u>				
At 1 January / 30 September 2025 / 31 December 2024	229,000	1,045,875	229,000	1,045,875
<u>Additional Tier 1 Preference shares of RM1.00 each</u>				
At 1 January	2,200,000	2,193,000	1,500,000	1,500,000
Issued during the financial period	—	—	700,000	693,000
At 30 September 2025/ 31 December 2024	2,200,000	2,193,000	2,200,000	2,193,000
Total share capital and other equity	2,429,000	3,238,875	2,429,000	3,238,875

The Group and the Bank issued non-cumulative and non-convertible redeemable perpetual preference shares. The preference shares qualify as Additional Tier 1 capital of the Group and the Bank as per the Capital Adequacy Framework (Capital Components) issued by Bank Negara Malaysia (BNM). Dividend payments are non-cumulative and may be cancelled at the sole discretion of the Group and the Bank. On the occurrence of a trigger event as defined by BNM, the capital instruments will be written down at the point of non-viability. They rank higher than ordinary shares in the event of a wind-up. The capital instrument meets the requirements of equity classification as per MFRS 132.

<u>Issuance date</u>	<u>Nominal value</u>	<u>Issuance cost</u>	<u>Dividend rate</u>
27 June 2022	RM1,500 million	—	3-month KLIBOR plus 36 basis points per annum
11 July 2024	RM 700 million	RM 7 million	3-month KLIBOR plus 50 basis points per annum

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28 Net Interest Income

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Interest income				
Loans and advances				
- Interest income other than from impaired loans	353,993	390,097	1,087,412	1,180,843
- Interest income recognised from impaired loans	7,088	7,736	19,861	21,910
Money at call and deposit placements with financial institutions	127,020	160,093	426,797	471,956
Financial investments at FVOCI	140,424	140,441	401,479	407,776
Financial investments at amortised cost	89,746	77,587	259,305	215,799
	718,271	775,954	2,194,854	2,298,284
Interest expense				
Deposits and placements of banks and other financial institutions	(17,978)	(21,404)	(49,780)	(67,285)
Deposits from customers	(247,688)	(271,532)	(753,034)	(794,524)
Others	(136)	(141)	(1,152)	(1,437)
	(265,802)	(293,077)	(803,966)	(863,246)
Net interest income	452,469	482,877	1,390,888	1,435,038

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Interest income				
Loans and advances				
- Interest income other than from impaired loans	353,993	390,097	1,087,412	1,180,843
- Interest income recognised from impaired loans	7,088	7,736	19,861	21,910
Money at call and deposit placements with financial institutions	150,330	174,886	492,317	517,692
Financial investments at FVOCI	140,424	140,441	401,479	407,776
Financial investments at amortised cost	89,746	77,587	259,305	215,799
	741,581	790,747	2,260,374	2,344,020

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28 Net Interest Income (Cont'd)

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Interest expense				
Deposits and placements of banks and other financial institutions	(20,736)	(23,177)	(58,680)	(72,747)
Deposits from customers	(247,688)	(271,532)	(753,034)	(794,524)
Others	(136)	(141)	(1,152)	(1,437)
	(268,560)	(294,850)	(812,866)	(868,708)
Net interest income	473,021	495,897	1,447,508	1,475,312

29 Net Fee and Commission Income

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Fee and commission income				
Credit cards	41,202	36,872	119,943	109,693
Service charges and fees	26,388	28,409	79,970	93,021
Fees on credit facilities	18,477	17,108	51,333	50,188
Agency fee	54,429	47,054	155,754	149,031
Others	17,999	11,193	53,172	31,066
	158,495	140,636	460,172	432,999
Fee and commission expense				
Debit/credit cards	(23,532)	(26,123)	(54,613)	(51,749)
Brokerage	(1,855)	(1,039)	(3,877)	(3,068)
Others	(6,143)	(6,655)	(18,880)	(18,106)
	(31,530)	(33,817)	(77,370)	(72,923)
Net fee and commission income	126,965	106,819	382,802	360,076

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29 Net Fee and Commission Income (Cont'd)

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Fee and commission income				
Credit cards	41,202	36,872	119,943	109,693
Service charges and fees	26,388	28,409	79,970	93,021
Fees on credit facilities	18,477	17,108	51,333	50,188
Agency fee	54,429	47,054	155,754	149,031
Others	16,689	10,492	50,564	29,389
	157,185	139,935	457,564	431,322
Fee and commission expense				
Debit/credit cards	(23,532)	(26,123)	(54,613)	(51,749)
Brokerage	(1,855)	(1,039)	(3,877)	(3,068)
Others	(6,143)	(6,655)	(18,880)	(18,106)
	(31,530)	(33,817)	(77,370)	(72,923)
Net fee and commission income	125,655	106,118	380,194	358,399

30 Net (Expense)/Income from Financial Instruments Held for Trading or Managed on a Fair Value Basis

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Realised gains on financial assets/liabilities at FVTPL and other financial instruments	10,965	10,660	26,055	14,458
Net interest income from financial assets at FVTPL	35,144	42,407	94,960	139,538
Net unrealised (losses)/gains on revaluation of financial assets at FVTPL	(4,993)	156	537	(6,328)
Net gains/(losses) from dealing in foreign currency				
- Realised	88,081	319,432	247,212	659,309
- Unrealised	(214,517)	1,004,546	423,810	952,090
Net gains/(losses) from dealing in derivative				
- Realised	27,235	(3,478)	74,969	(162,945)
- Unrealised	12,364	43,086	(6,898)	195,445
Gains/(losses) arising from fair value hedges	26	-	197	(557)
Net trading (expense)/income	(45,695)	1,416,809	860,842	1,791,010
Net expense from financial liabilities designated at fair value	(23,244)	(59,431)	(70,241)	(91,625)
	(68,939)	1,357,378	790,601	1,699,385

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 Net (Expense)/Income from Financial Instruments Held for Trading or Managed on a Fair Value Basis (Cont'd)

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Realised gains on financial assets/liabilities at FVTPL and other financial instruments	10,965	10,660	26,055	14,458
Net interest income from financial assets at FVTPL	35,144	42,407	94,960	139,538
Net unrealised (losses)/gains on revaluation of financial assets at FVTPL	(4,993)	156	537	(6,328)
Net gains/(losses) from dealing in foreign currency				
- Realised	152,180	257,393	308,038	597,415
- Unrealised	14,366	(47,189)	183,907	(44,068)
Net gains/(losses) from dealing in derivative				
- Realised	25,370	(4,079)	70,206	(158,608)
- Unrealised	(14,797)	35,725	(52,019)	172,576
Gains/(losses) arising from fair value hedges	26	-	197	(557)
Net trading income	218,261	295,073	631,881	714,426
Net expense from financial liabilities designated at fair value	(23,244)	(59,431)	(70,241)	(91,625)
	195,017	235,642	561,640	622,801

Net income from financial instruments held for trading or managed on a fair value basis for the Group is presented in both Note 30 and Note 31. A reconciliation for the Group is as follows:

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Total net income from financial instruments held for trading or managed on a fair value basis (net of elimination with subsidiary)	197,424	242,011	567,360	631,475
of which:				
- is disclosed in Note 30	(68,939)	1,357,378	790,601	1,699,385
- is included under Income from Islamic Banking operations of the Group (Note 31)	266,363	(1,115,367)	(223,241)	(1,067,910)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 Income from Islamic Banking operations

For consolidation with the conventional banking operations, the income from Islamic Banking operations as shown in the face of the consolidated statements of profit or loss and other comprehensive income, consists of the following items:

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
- depositor funds and others ^[1]	214,642	226,345	650,530	682,258
- shareholders funds	75,962	70,019	209,157	193,539
Total income before allowance for impairment losses on financing and advances	290,604	296,364	859,687	875,797
Income attributable to the depositors	(86,368)	(85,896)	(258,615)	(275,062)
Income from Islamic Banking operations before elimination	204,236	210,468	601,072	600,735
Elimination of intercompany income and expenses	283,017	(1,109,643)	(175,550)	(1,038,724)
Income from Islamic Banking operations reported in statement of profit or loss of the Group ^[2]	487,253	(899,175)	425,522	(437,989)

^[1] Included in income derived from investment of depositors' funds and others are net income/(expense) from financial instruments held for trading or managed on a fair value basis for the period ended 30 September:

	266,363	(1,115,367)	(223,241)	(1,067,910)
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32 Other Operating Income

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net gain on disposal of financial investments at FVOCI	–	6,889	5,294	12,219
Dividend income from financial investments at FVOCI (Unquoted in Malaysia)	2,291	310	3,536	1,503
Rental income	7,138	15,125	19,448	20,155
Net gain on disposal of property and equipment	–	228	1,020	925
Other operating income	12,284	4,629	24,873	38,963
	21,713	27,181	54,171	73,765

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32 Other Operating Income (Cont'd)

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net gain on disposal of financial investments at FVOCI	–	6,889	5,294	12,219
Dividend income from financial investments at FVOCI (Unquoted in Malaysia)	2,291	310	3,536	1,503
Dividend income from subsidiary	54,992	–	173,982	53,679
Discretionary coupon income on other equity instrument issued by subsidiary	13,658	16,677	29,345	35,112
Rental income	7,138	15,125	19,448	20,155
Net gain on disposal of property and equipment	–	228	1,020	925
Income recharges from subsidiary	48,012	47,938	144,798	145,072
Other operating income	12,284	4,629	24,873	38,963
	138,375	91,796	402,296	307,628

33 ECL Charges/(Written-back)

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net increase in ECL	59,280	33,594	124,616	56,036
Recoveries	(29,342)	(28,658)	(86,366)	(83,414)
Written off	907	325	1,134	764
ECL charges/(written-back)	30,845	5,261	39,384	(26,614)

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net increase in ECL	34,796	16,108	62,953	26,374
Recoveries	(14,325)	(12,707)	(42,599)	(38,600)
Written off	906	322	1,131	724
ECL charges/(written-back)	21,377	3,723	21,485	(11,502)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33 ECL Charges/(Written-back) (Cont'd)

Breakdown of the expected credit losses allowance by financial instruments type:

(i) Loan, advances and financing

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net increase in ECL	38,269	35,593	107,399	67,300
Recoveries	(29,342)	(28,658)	(86,366)	(83,414)
Written off	907	325	1,134	764
ECL charges/(written-back)	9,834	7,260	22,167	(15,350)

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net increase in ECL	24,321	18,178	56,022	33,263
Recoveries	(14,325)	(12,707)	(42,599)	(38,600)
Written off	906	322	1,131	724
ECL charges/(written-back)	10,902	5,793	14,554	(4,613)

(ii) Deposits and placements with banks and other financial institutions

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net release in ECL	(9)	(3)	(2)	(88)

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net release in ECL	(8)	(2)	(3)	(57)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33 ECL Charges/(Written-back) (Cont'd)

(iii) Debt securities - FVOCI

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net increase/(release) in ECL	14	273	(31)	417

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net increase in ECL	29	201	43	365

(iv) Financial investments at amortised costs

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net increase/(release) in ECL	79	(34)	(51)	230

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net increase/(release) in ECL	49	(39)	(51)	242

(v) Loan commitments and contingencies

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net increase/(release) in ECL	20,927	(2,235)	17,301	(11,823)

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Net increase/(release) in ECL	10,405	(2,230)	6,942	(7,439)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34 Other Operating Expenses

	<i>Group</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	165,329	167,004	520,989	508,157
Promotion and marketing related expenses	5,573	14,266	24,838	40,706
Establishment related expenses	41,989	40,283	112,930	114,881
General administrative expenses	37,628	38,946	106,270	108,902
Related company charges	206,877	219,619	647,164	657,517
	457,396	480,118	1,412,191	1,430,163
Personnel expenses				
Salaries, allowances and bonuses	125,280	129,463	396,473	393,340
Employees Provident Fund contributions	21,605	22,046	68,056	66,437
Share based payment	2,048	2,494	7,560	8,503
Others	16,396	13,001	48,900	39,877
	165,329	167,004	520,989	508,157
Establishment related expenses				
Depreciation of property and equipment	16,825	13,406	42,239	39,223
Depreciation of RoU assets	3,498	3,499	10,266	10,443
Amortisation of intangible assets	678	911	2,008	3,087
Information technology cost	7,012	4,779	19,520	14,858
Property and equipment written off	–	10	–	12
General repairs and maintenance	4,814	5,363	13,537	15,883
Utilities	1,230	1,580	3,676	4,370
Others	7,932	10,735	21,684	27,005
	41,989	40,283	112,930	114,881
Related company charges	206,877	219,619	647,164	657,517
Of which by:				
(i) Type of service				
- Information technology related cost	108,696	109,774	335,736	346,233
- Non information technology related cost	98,181	109,845	311,428	311,284
(ii) Countries/territories				
- Hong Kong	134,939	144,069	420,700	452,368
- United Kingdom	38,357	37,589	124,457	114,924
- Malaysia	17,494	20,400	52,260	55,625
- India	12,397	13,192	34,740	17,095
- Others	3,688	4,369	15,007	17,505

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34 Other Operating Expenses (Cont'd)

	<i>Bank</i>			
	Third Quarter		Nine Months Ended	
	30 Sep 2025	30 Sep 2024	30 Sep 2025	30 Sep 2024
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	156,327	157,190	490,314	478,834
Promotion and marketing related expenses	4,702	12,782	20,150	34,111
Establishment related expenses	38,373	35,318	102,131	102,800
General administrative expenses	29,369	33,675	85,940	91,671
Related company charges	203,402	217,873	638,357	652,238
	432,173	456,838	1,336,892	1,359,654
Personnel expenses				
Salaries, allowances and bonuses	118,759	121,596	372,912	370,162
Employees Provident Fund contributions	20,511	20,636	63,948	62,307
Share based payment	2,032	2,467	7,487	8,505
Others	15,025	12,491	45,967	37,860
	156,327	157,190	490,314	478,834
Establishment related expenses				
Depreciation of property and equipment	16,455	12,987	41,141	37,794
Depreciation of RoU assets	1,952	1,981	5,700	5,922
Amortisation of intangible assets	678	911	2,008	3,087
Information technology cost	6,255	4,405	17,280	13,261
Property and equipment written off	–	10	–	12
General repairs and maintenance	4,170	4,949	11,661	14,390
Utilities	995	1,302	2,991	3,557
Others	7,868	8,773	21,350	24,777
	38,373	35,318	102,131	102,800
Related company charges	203,402	217,873	638,357	652,238
Of which by:				
(i) Type of service				
- Information technology related cost	108,696	109,774	335,736	346,270
- Non information technology related cost	94,706	108,099	302,621	305,968
(ii) Countries/territories				
- Hong Kong	134,890	144,033	420,634	452,243
- United Kingdom	38,316	37,589	123,694	114,913
- Malaysia	14,264	18,826	44,715	50,820
- India	12,242	13,056	34,321	16,769
- Others	3,688	4,369	14,993	17,493

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35 Capital Adequacy

	<i>Group</i>	
	30 Sep 2025	31 Dec 2024
	RM'000	RM'000
Common Equity Tier 1 (CET1) capital		
Paid-up ordinary share capital	1,045,875	1,045,875
Retained profits	8,880,991	9,110,558
Other reserves	876,338	847,641
Regulatory adjustments	(867,546)	(909,948)
Total CET1 capital	9,935,658	10,094,126
Tier 1 capital		
Additional Tier 1 preference shares	2,193,000	2,193,000
Total Tier 1 capital	12,128,658	12,287,126
Tier 2 capital		
General provisions	628,123	629,333
Regulatory adjustments	56,264	57,576
Total Tier 2 capital	684,387	686,909
Capital base	12,813,045	12,974,035
<u>Before deducting proposed dividend</u>		
CET 1 Capital ratio	16.988%	16.953%
Tier 1 Capital ratio	20.737%	20.636%
Total Capital ratio	21.907%	21.790%
<u>After deducting proposed dividend</u>		
CET 1 Capital ratio	16.988%	16.306%
Tier 1 Capital ratio	20.737%	19.989%
Total Capital ratio	21.907%	21.143%

The total capital and capital adequacy ratios of the Group and the Bank have been computed based on BNM's Capital Adequacy Framework related to Capital Components and Risk-Weighted Assets. The Group and the Bank have adopted the Standardised Approach for Credit Risk, Market Risk and Operational Risk.

With effect from 1 January 2025, the RWA for Operational Risk has been computed based on the Capital Adequacy Framework (Operational Risk) issued on 15 December 2023, in line with Basel III standards (2024: Standardised Approach for Operational Risk, under Basel II).

For HBMS, a wholly owned subsidiary of the Bank, the total capital and capital adequacy ratios have been computed based on BNM's Capital Adequacy Framework for Islamic Banks related to Capital Components and Risk-Weighted Assets. HBMS has adopted the Standardised Approach for Credit Risk, Market Risk and Operational Risk. With effect from 1 January 2025, the RWA for Operational Risk has been computed based on the Capital Adequacy Framework (Operational Risk) issued on 15 December 2023, in line with Basel III standards (2024: Basic Indicator Approach for Operational Risk, under Basel II).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35 Capital Adequacy (Cont'd)

Breakdown of risk-weighted assets (RWA) in the various risk categories:

	<i>Group</i>	
	30 Sep 2025	31 Dec 2024
	RM'000	RM'000
Total RWA for credit risk ^[1]	50,249,850	50,346,619
Total RWA for market risk	1,787,637	2,292,635
Total RWA for operational risk	6,450,436	6,902,586
	58,487,923	59,541,840

^[1] The risk weighted amount for credit risk relating to the SIAF/IAA (refer to Note17(i) for more details) are as follows:

	<i>Group</i>	
	30 Sep 2025	31 Dec 2024
	RM'000	RM'000
Under SIAF/IAA arrangement	648,423	658,314

	<i>Bank</i>	
	30 Sep 2025	31 Dec 2024
	RM'000	RM'000
Common Equity Tier 1 (CET1) capital		
Paid-up ordinary share capital	1,045,875	1,045,875
Retained profits	6,636,657	6,945,224
Other reserves	832,770	780,299
Regulatory adjustments	(1,448,347)	(1,463,496)
Total CET1 capital	7,066,955	7,307,902
Tier 1 capital		
Additional Tier 1 preference shares	2,193,000	2,193,000
Regulatory adjustments	(501,063)	(501,063)
Total Tier 1 capital	8,758,892	8,999,839
Tier 2 capital		
General provisions	474,750	467,581
Regulatory adjustments	56,264	57,576
Total Tier 2 capital	531,014	525,157
Capital base	9,289,906	9,524,996

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35 Capital Adequacy (Cont'd)

	<i>Bank</i>	
	30 Sep 2025	31 Dec 2024
<u>Before deducting proposed dividend</u>		
CET 1 Capital ratio	15.514%	16.016%
Tier 1 Capital ratio	19.228%	19.725%
Total Capital ratio	20.394%	20.875%
<u>After deducting proposed dividend</u>		
CET 1 Capital ratio	15.514%	15.172%
Tier 1 Capital ratio	19.228%	18.880%
Total Capital ratio	20.394%	20.031%

The total capital and capital adequacy ratios have been computed based on Standardised Approach in accordance with the BNM's Guidelines on Capital Adequacy Framework (Capital Components).

Breakdown of RWA in the various risk categories:

	<i>Bank</i>	
	30 Sep 2025	31 Dec 2024
	RM'000	RM'000
Total RWA for credit risk ^[1]	37,979,991	37,406,489
Total RWA for market risk	1,714,424	2,197,736
Total RWA for operational risk	5,858,508	6,023,418
	45,552,923	45,627,643

^[1] The risk weighted amount for credit risk relating to the SIAF/IAA (refer to Note17(i) for more details) are as follows:

	<i>Bank</i>	
	30 Sep 2025	31 Dec 2024
	RM'000	RM'000
Under SIAF/IAA arrangement	648,423	658,314

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

36 Commitments and Contingencies

The table below shows the contracts or underlying principal amounts of unmatured off-balance sheet transactions at the statement of financial position date. The underlying principal amounts indicate the volume of business outstanding and do not represent amounts at risk.

These commitments and contingencies are not secured over the assets of the Group and of the Bank.

	<i>Group</i>		<i>Bank</i>	
	30 Sep 2025	31 Dec 2024	30 Sep 2025	31 Dec 2024
Principal amount	RM'000	RM'000	RM'000	RM'000
Direct credit substitutes	489,072	641,943	438,630	610,429
Transaction-related contingent items	13,212,880	12,801,108	11,457,548	10,966,743
Short-term self-liquidating trade-related contingencies	438,892	420,263	272,229	281,383
Forward asset purchases	–	18,784	–	18,784
Formal standby facilities and credit lines				
- Maturity not exceeding one year	8,380,670	8,690,729	7,103,202	7,380,469
- Maturity exceeding one year	14,191,853	14,279,178	10,680,712	10,661,652
Other unconditionally cancellable	21,737,599	21,228,765	18,032,989	17,838,394
Unutilised credit card lines	14,774,289	14,101,767	11,502,523	10,813,037
Foreign exchange related contracts:				
- Less than one year	136,366,035	104,006,700	136,727,371	105,324,987
- Over one year to less than five years	4,517,825	5,671,758	4,517,825	5,671,758
- Over five years	63,210	274,452	63,210	274,452
Interest/profit rate related contracts:				
- Less than one year	10,190,736	15,249,291	10,772,593	15,872,401
- Over one year to less than five years	30,559,178	25,677,203	31,061,038	26,369,199
- Over five years	2,084,741	571,808	2,084,741	571,808
Gold and other precious metals contracts:				
- Less than one year	11,778	10,823	11,778	10,823
Commodity contracts:				
- Less than one year	50,241	–	50,241	–
Equity related contracts:				
- Less than one year	1,578,126	1,804,297	2,140,885	2,431,823
- Over one year to less than five years	1,640,658	1,356,137	2,470,614	2,174,878
	260,287,783	226,805,006	249,388,129	217,273,020

of which the amount related to SIAF/IAA arrangement (refer to Note17(i) for more details) are as below:

	<i>Bank</i>	
	30 Sep 2025	31 Dec 2024
	RM'000	RM'000
<i>Formal standby facilities and credit lines:</i>		
- Maturity not exceeding one year	–	–
- Maturity exceeding one year	83,699	89,591
	83,699	89,591

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37 Derivative Financial Instruments

Details of derivative financial instruments outstanding are as follows:

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts:

Group	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total
At 30 Sep 2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	132,799,692	1,775,739	–	134,575,431	741,115	20,012	–	761,127	762,680	16,325	–	779,005
- Swaps	3,068,150	2,742,086	63,210	5,873,446	70,631	150,613	2,832	224,076	69,551	60,278	2,085	131,914
- Options	498,193	–	–	498,193	739	–	–	739	798	–	–	798
Interest/profit rate related contracts												
- Options	488,630	303,965	–	792,595	1,588	118	–	1,706	1,396	143	–	1,539
- Swaps	9,702,106	29,955,213	2,084,741	41,742,060	13,025	132,360	21,589	166,974	16,925	132,304	17,489	166,718
Equity related contracts												
- Options	1,578,126	1,640,658	–	3,218,784	32,253	20,827	–	53,080	42,667	25,774	–	68,441
Precious metal contracts												
- Options	11,778	–	–	11,778	33	–	–	33	23	–	–	23
Commodity contracts												
- Debt securities	50,241	–	–	50,241	–	–	–	–	–	–	–	–
Sub- total	148,196,916	36,417,661	2,147,951	186,762,528	859,384	323,930	24,421	1,207,735	894,040	234,824	19,574	1,148,438
Hedging derivatives:												
Fair value hedge												
Interest/profit rate related contracts												
- Swaps	–	300,000	–	300,000	–	–	–	–	–	705	–	705
Total	148,196,916	36,717,661	2,147,951	187,062,528	859,384	323,930	24,421	1,207,735	894,040	235,529	19,574	1,149,143

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37 Derivative Financial Instruments (Cont'd)

Details of derivative financial instruments outstanding are as follows (Cont'd):

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (Cont'd):

Group	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total
At 31 Dec 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	100,754,365	1,761,568	–	102,515,933	738,778	32,714	–	771,492	954,174	14,905	–	969,079
- Swaps	2,805,817	3,910,190	274,452	6,990,459	62,080	198,675	12,642	273,397	71,796	156,738	8,991	237,525
- Options	446,518	–	–	446,518	6,174	–	–	6,174	1,590	–	–	1,590
Interest/profit rate related contracts												
- Options	569,738	209,918	–	779,656	419	17	–	436	620	1,409	–	2,029
- Swaps	14,679,553	25,467,285	571,808	40,718,646	17,070	109,954	6,652	133,676	13,928	110,077	6,773	130,778
Equity related contracts												
- Options	1,804,297	1,356,137	–	3,160,434	20,560	30,205	–	50,765	28,027	39,808	–	67,835
Precious metal contracts												
- Options	10,823	–	–	10,823	–	–	–	–	82	–	–	82
Total	121,071,111	32,705,098	846,260	154,622,469	845,081	371,565	19,294	1,235,940	1,070,217	322,937	15,764	1,408,918

The Group does not have any hedging instrument as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37 Derivative Financial Instruments (Cont'd)

Details of derivative financial instruments outstanding are as follows (Cont'd):

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (Cont'd):

Bank	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total
At 30 Sep 2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	133,161,028	1,775,739	–	134,936,767	730,715	20,012	–	750,727	759,086	16,325	–	775,411
- Swaps	3,068,150	2,742,086	63,210	5,873,446	70,576	150,500	2,832	223,908	69,631	60,278	2,085	131,994
- Options	498,193	–	–	498,193	739	–	–	739	798	–	–	798
Interest rate related contracts												
- Options	619,414	519,488	–	1,138,902	2,888	1,593	–	4,481	1,396	143	–	1,539
- Swaps	10,153,179	30,241,550	2,084,741	42,479,470	12,966	132,433	17,764	163,163	17,198	135,536	17,390	170,124
Equity related contracts												
- Options	2,140,885	2,470,614	–	4,611,499	73,064	40,790	–	113,854	68,913	30,977	–	99,890
Precious metal contracts												
- Options	11,778	–	–	11,778	33	–	–	33	23	–	–	23
Commodity contracts												
- Debt securities	50,241	–	–	50,241	–	–	–	–	–	–	–	–
Sub- total	149,702,868	37,749,477	2,147,951	189,600,296	890,981	345,328	20,596	1,256,905	917,045	243,259	19,475	1,179,779
Hedging derivatives:												
Fair value hedge												
Interest rate related contracts												
- Swaps	–	300,000	–	300,000	–	–	–	–	–	705	–	705
Total	149,702,868	38,049,477	2,147,951	189,900,296	890,981	345,328	20,596	1,256,905	917,045	243,964	19,475	1,180,484

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37 Derivative Financial Instruments (Cont'd)

Details of derivative financial instruments outstanding are as follows (Cont'd):

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts (Cont'd):

Bank	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total	Up to 1 Year	> 1 - 5 Years	> 5 Years	Total
At 31 Dec 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	102,128,152	1,761,568	–	103,889,720	721,395	32,714	–	754,109	952,344	14,905	–	967,249
- Swaps	2,750,317	3,910,190	274,452	6,934,959	61,783	198,521	11,392	271,696	71,451	156,738	8,991	237,180
- Options	446,518	–	–	446,518	6,174	–	–	6,174	1,590	–	–	1,590
Interest rate related contracts												
- Options	612,675	568,158	–	1,180,833	829	9,748	–	10,577	620	259	–	879
- Swaps	15,259,726	25,801,041	571,808	41,632,575	17,559	110,208	6,652	134,419	14,683	112,063	6,773	133,519
Equity related contracts												
- Options	2,431,823	2,174,878	–	4,606,701	36,809	81,125	–	117,934	30,884	63,782	–	94,666
Precious metal contracts												
- Options	10,823	–	–	10,823	–	–	–	–	82	–	–	82
Total	123,640,034	34,215,835	846,260	158,702,129	844,549	432,316	18,044	1,294,909	1,071,654	347,747	15,764	1,435,165

The Bank does not have any hedging instrument as at 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

38 Performance Review, Economy and Prospects

Performance Review

The Group recorded profit before tax (PBT) of RM1,592.4 million for the financial period ended 30 September 2025, marking a decrease of RM134.3 million or 7.8% year-on-year. The decrease in PBT is attributed to higher ECL charges of RM39.4 million as compared to a net write-back of RM26.6 million last year, coupled with lower operating income by RM86.3 million, which amounted to RM3,044.0 million.

Total assets as at 30 September 2025 has increased by RM3.4 billion or 3.4% to RM103.0 billion (31 December 2024: RM99.5 billion). The Group's capital and liquidity coverage ratios continue to remain strong and well above regulatory requirements.

Economy and Prospects

The Government of Malaysia continues to work towards narrowing its fiscal deficit to 3.5% of GDP in 2026 as outlined by the Fiscal Responsibility Act (FRA). Malaysia's spending allocation has shifted from subsidies to emoluments. Measures to unlock Malaysia's long-term potential in areas like semiconductors, export diversification, infrastructure, energy transition and digitalisation, have been announced. Separately, programmes to nurture local talent, particularly in strategic and growing sectors, have also strengthened with more funding. Our country's growth outlook remains constructive with forecasted GDP of 4.0%-4.8% in 2025 and 4.0%-4.5% in 2026 respectively and slightly cautious on the lingering trade uncertainty.

During the period under review, HSBC Malaysia launched the all-new HSBC Premier services to meet the changing needs of affluent and high-net-worth customers in wealth management, health and lifestyle, and in international banking. Anchoring on four pillars; Wealth, Health, Travel and International, the new HSBC Premier covers an extensive and exciting new proposition, ranging from wealth solutions, health and travel privileges to more convenient and easier access in international banking.

In 2025, HSBC Malaysia is recognised at the Euromoney Awards for Excellence 2025 as "Malaysia's Best International Bank", "Best Bank for Large Corporates" and "Best Digital Bank for Large Corporates". Additionally, our Islamic banking arm, HSBC Amanah, has also garnered "Best Islamic Structured Finance House" from the Euromoney Islamic Finance Awards 2025, along with other wins in numerous deal award categories jointly conferred together with our clients.

At HSBC Malaysia, we remain committed to serving our customers and will continue our efforts of being the preferred international financial partner for our clients.