

HSBC BANK MALAYSIA BERHAD
(Company No.198401015221 (127776-V))
(Incorporated in Malaysia)
Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures
As at 31 December 2025

CHIEF EXECUTIVE OFFICER'S ATTESTATION

I, Dato' Omar Siddiq bin Amin Noer Rashid, being the Chief Executive Officer of HSBC Bank Malaysia Berhad, do hereby state that, in my opinion, the Pillar 3 Disclosures set out on pages 2 to 35 have been prepared according to the Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3), and are accurate and complete.

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DATO' OMAR SIDDIQ BIN AMIN NOER RASHID

Chief Executive Officer
06 February 2026

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(a) Introduction

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 herein referred to as 'the Group' in this document.

(b) Regulatory framework

The Group's lead regulator, Bank Negara Malaysia (BNM) sets and monitors capital requirements for the Group as a whole. The Group is required to comply with the provisions of the Basel II framework in respect of regulatory capital. The Bank and its fully owned subsidiary, HSBC Amanah Malaysia Berhad (HBMS), adopts 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).

Basel II is structured around three 'pillars': minimum capital requirements, supervisory review process and market discipline. Pillar 3 aims to encourage market discipline by developing a set of disclosure requirements which allow market participants to assess certain specific information on the capital management processes, and risk assessment processes, and hence the capital adequacy of the Group. Disclosures consist of both quantitative and qualitative information and are provided at the Group and the Bank level. Banks are required to disclose all their material risks as part of the Pillar 3 framework. All material and non-proprietary information required by Pillar 3 is included in the Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures as at 31 December 2025. BNM permits certain Pillar 3 requirements to be satisfied by inclusion within the financial statements. Where this is the case, references are provided to relevant sections in the Financial Statements as at 31 December 2025.

(c) Consolidation basis

The basis of consolidation for financial accounting purposes is described in Note 3(a) of the financial statements as at 31 December 2025 and it is the same basis of consolidation that is used for regulatory purposes. The Bank's subsidiary companies are listed in Note 17 of the financial statements, and are fully consolidated for both financial accounting and regulatory purposes.

(d) Transferability of capital and funds within the Group

The Bank is the primary provider of equity capital to its subsidiaries. Each subsidiary manages its own capital to support its planned business growth. The Group is not aware of any impediments on transfer of funds or regulatory capital.

(e) Internal assessment of capital adequacy

The Group assesses the adequacy of its capital by considering the resources necessary to cover unexpected losses arising from discretionary risks, such as credit risk and market risk, or non-discretionary risks, such as operational and reputational risk.

The key objective of Internal Capital Adequacy Assessment Process (ICAAP) is to ensure that sufficient capital is maintained, given the risk profile of the Bank on an ongoing and forward looking basis. The ICAAP permits the setting of target amounts for internal capital consistent to the Group's risk profile and the environment in which it pursues business.

The ICAAP is an internal assessment of the Group's capital adequacy given its risk appetite, risk profile and regulatory minimum requirements. The Group assesses the adequacy of its capital by considering the resources necessary to cover unexpected losses arising from discretionary risks, such as credit risk and market risk, or non-discretionary risks, such as operational and reputational risk. On a forward looking basis, the ICAAP ensures that the Group's capital position:

- exceeds the minimum regulatory capital requirements as prescribed by the BNM;
- remains sufficient to support the Group's Risk Appetite and business strategies;
- remains sufficient to support the underlying and projected risk profile; and
- remains sufficient to sustain business growth and in adverse business or economic conditions.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures

(e) Internal assessment of capital adequacy (Cont'd)

In order to achieve this, the Group has a robust ICAAP framework in place which underlines the foundation of its risk and capital management process. It has the following key features:

- a strong and encompassing governance framework;
- a forward-looking risk appetite framework to ensure our business and risk profiles are in line with the Board of Directors' (BOD) expectations;
- a robust capital management, planning and forecasting framework; and
- an internal risk assessment process based on the economic capital and stress testing frameworks to support the Group's capital adequacy positions.

Stress Testing

The Group operates a wide-ranging stress testing programme that is a key part of our risk management and capital and liquidity planning. Stress testing provides management with key insights into the impact of adverse events, and provides confidence to regulators on the Group's financial stability.

As well as undertaking regulatory-driven stress tests, the Group conducts internal stress tests, in order to understand the nature and level of all material risks, quantify the impact of such risks and develop plausible business-as-usual mitigating actions.

The stress testing programme assesses capital and liquidity strength through a rigorous examination of resilience to external shocks from a range of stress scenarios. They include potential adverse macroeconomic, geopolitical and operational risk events, and other potential events that are specific to the Group. Stress testing analysis helps management to understand the nature and extent of vulnerabilities to which the Group is exposed to and informed decisions about capital or liquidity levels.

Separately, reverse stress tests are conducted by the Group in order to understand which potential extreme conditions would make the business model non-viable. Reverse stress testing identifies potential stresses and vulnerabilities which the Group might face, and helps inform early warning triggers, management actions and contingency plans to mitigate risks.

Governance

The Stress Test Working Group (STWG) will actively manage and drive cohesion and consistency across all stress testing activities, including the execution of enterprise wide stress tests and enhancements to stress testing and data capability. Stress test results and the proposed mitigating actions will be recommended by Risk Management Meeting (RMM) or Operating Committee (OpCo) and Risk Committee (RC) to the Board for approval.

Risk Appetite

Risk appetite is a key component in our management of risk. It defines our desired forward-looking risk profile, and informs the strategic and financial planning process. At HSBC, risk appetite is managed through a global risk appetite framework and articulated in a risk appetite statement (RAS), which is reviewed and approved by the Board, on the advice of the group's Risk Committee, regularly to make sure it remains fit for purpose.

Our risk appetite provides an objective baseline to guide strategic decision making, helping to ensure that planned business activities provide an appropriate balance of return for the risk assumed, while remaining within acceptable risk levels. It is also integrated within other risk management tools, such as stress testing, to ensure consistency in risk management.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(f) Capital structure

The Group's regulatory capital comprises of 2 categories - Tier 1 and Tier 2.

- Tier 1 capital ^[1] is divided into Common Equity Tier 1 (CET1) Capital and Additional Tier 1 (AT1) Capital. CET1 Capital includes ordinary share capital ^[2], retained earnings, reserves and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes. AT1 Capital includes qualifying preference shares issued by the Group.
- Tier 2 capital ^[1], which includes impairment allowances equal to 12-months and lifetime expected credit losses for non-credit impaired loans (commonly known as Stage 1 and 2 provisions), regulatory reserve, and the element of the fair value reserve relating to revaluation of property which are disclosed as regulatory adjustments.

Refer to Note 37 of the financial statements at 31 December 2025 for the total capital ratio and Tier 1 capital ratio, and risk weighted assets for credit risk, market risk and operational risk.

^[1] Refer to Note 37 of the financial statements as at 31 December 2025 for the amount and breakdown of capital components.

^[2] Refer to Note 24 of the financial statements as at 31 December 2025 for further details on ordinary share capital. All ordinary shares in issue confer identical rights in respect of capital, dividends and voting.

(g) Risk management

Risk management framework

We use a comprehensive risk management approach across the organisation and across all risk types, underpinned by our culture and values. This is outlined in our risk management framework, including the key principles and practices that we employ in managing material risks, both financial and non-financial. Non-financial risk in our risk management framework includes, but is not limited to, those risks captured under the Basel Committee on Banking Supervision (BCBS) definition for operational risk.

The framework fosters continuous monitoring of the risk environment, and promotes risk awareness, and sound operational and strategic decision making and escalation process. It also ensures we have a consistent approach to monitoring, managing and mitigating the risks we accept and incur in our activities, with clear accountabilities.

Culture

HSBC understands the importance of a strong culture. Our culture refers to our shared attitudes, values and standards that shape behaviours related to risk awareness, risk taking and risk management. It is instrumental in aligning the behaviours of individuals with our attitude to assuming and managing risk, which helps to ensure that our risk profile remains in line with our risk appetite. The fostering of a strong culture is a key responsibility of our senior executives.

Our culture is also reinforced by our approach to remuneration. Individual awards, including those for senior executives, are based on compliance with our values and the achievement of financial and non-financial objectives, which are aligned to our risk appetite and strategy.

Risk governance

The Board has ultimate responsibility for the effective management of risk and approves our risk appetite. It is advised on risk-related matters by the Risk Committee.

Executive accountability for the ongoing monitoring, assessment and management of the enterprise wide risk environment, and the effectiveness of the risk management framework resides with the Country Chief Risk Officer (CRO), supported by the RMM.

Day-to-day responsibility for risk management is delegated to senior managers with individual accountability for decision making. All employees have a role to play in risk management. These roles are defined using the three lines of defence model, which takes into account our business and functional structures.

We use a defined executive risk governance structure to ensure appropriate oversight and accountability for risk, which facilitates the reporting and escalation to the RMM.

Refer to Note 4 of the financial statements as at 31 December 2025 for the Group's risk managements policies on the above mentioned risks.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

1) RWA and Capital Requirement

The tables below disclose the gross and net exposures, risk weighted assets (RWA) and capital requirements for credit risk, market risk and operational risk of the Group and the Bank at reporting date.

As at 31 December 2025, the RWA risk absorbent for Syndicated Investment Account for Financing (SIAF)/ Investment Agency Account (IAA) in the Bank amounted to RM476m (31 December 2024: RM658m) with principal amount of RM1,614m (31 December 2024: RM1,669m). This amount is reported as asset under management in the books of the Bank's Islamic Subsidiary. At group level, the effect of the RWA risk absorbent profit sharing investment is eliminated.

31 Dec 2025

Group

(RM'000)

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	42,394,969	42,394,969	1,895,847	151,667
PSEs	1,965,379	1,847,408	433,996	34,720
Banks, DFIs & MDBs	14,162,947	2,689,684	864,077	69,127
Corporates	20,537,795	20,043,895	18,660,699	1,492,856
Regulatory Retail	5,603,575	5,576,449	4,251,932	340,155
Residential Mortgages	13,710,042	13,710,042	5,138,269	411,061
Higher Risk Assets	9,370	9,211	13,817	1,105
Other Assets	1,914,466	1,914,466	1,691,627	135,330
Securitisation Exposure	350,792	350,792	263,094	21,048
Equity Exposure	257,761	257,761	257,761	20,621
Defaulted Exposures	695,914	693,872	793,991	63,519
Total for On-Balance Sheet Exposures	101,603,010	89,488,549	34,265,110	2,741,209
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	5,009,232	2,857,826	1,452,659	116,213
Off balance sheet exposures other than OTC derivatives or credit derivatives	19,030,336	18,460,431	13,832,628	1,106,610
Defaulted Exposures	15,958	15,958	20,563	1,645
Total for Off-Balance Sheet Exposures	24,055,526	21,334,215	15,305,850	1,224,468
Total On and Off-Balance Sheet Exposures ^[1]	125,658,536	110,822,764	49,570,960	3,965,677
Market Risk (Standardised Approach)				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	68,975,088	67,991,513	983,575	118,899
Foreign Currency Risk	33,494	286,388	286,388	22,911
Equity Risk	-	-	-	2,601
Options Risk	-	-	-	21,628
	69,008,582	68,277,901	1,269,963	143,748
Operational Risk (Standardised Approach)	-	-	-	6,546,845
Total RWA and Capital Requirement	-	-	-	57,914,651

^[1] The variance between Gross Exposures and Net Exposures, represents the 'Total On and Off-Balance Sheet Exposures covered by Eligible Collateral'. Refer to Note (g) (3) (ii) Credit risk mitigation (CRM) within this disclosure document.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

1) RWA and Capital Requirement (Cont'd)

31 Dec 2024

Group

(RM'000)

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	35,327,925	35,327,925	1,628,346	130,268
PSEs	1,978,973	1,868,454	521,417	41,713
Banks, DFIs & MDBs	10,759,253	3,074,627	1,035,278	82,823
Corporates	22,814,577	22,484,942	20,420,218	1,633,617
Regulatory Retail	5,589,956	5,546,883	4,243,171	339,454
Residential Mortgages	13,989,211	13,989,211	5,148,968	411,917
Higher Risk Assets	9,641	9,487	14,230	1,138
Other Assets	1,777,866	1,777,866	1,597,707	127,816
Securitisation Exposure	206,143	206,143	154,607	12,369
Equity Exposure	246,628	246,628	246,628	19,730
Defaulted Exposures	720,551	720,330	807,423	64,594
Total for On-Balance Sheet Exposures	93,420,724	85,252,496	35,817,993	2,865,439
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,867,924	2,225,781	1,188,227	95,058
Off balance sheet exposures other than OTC derivatives or credit derivatives	18,830,272	18,301,989	13,323,044	1,065,844
Defaulted Exposures	13,151	13,151	17,355	1,389
Total for Off-Balance Sheet Exposures	22,711,347	20,540,921	14,528,626	1,162,291
Total On and Off-Balance Sheet Exposures ⁽¹⁾	116,132,071	105,793,417	50,346,619	4,027,730
Market Risk (Standardised Approach)				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	61,124,024	60,484,511	639,513	172,532
Foreign Currency Risk	47,971	10,191	47,971	3,838
Equity Risk	-	-	-	96
Options Risk	-	-	-	6,945
	61,171,995	60,494,702	687,484	183,411
Operational Risk (Standardised Approach)	-	-	-	552,206
Total RWA and Capital Requirement	-	-	-	4,763,347

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

OTC - Over the counter

⁽¹⁾ The variance between Gross Exposures and Net Exposures, represents the 'Total On and Off-Balance Sheet Exposures covered by Eligible Collateral'. Refer to Note (g) (3) (ii) CRM within this disclosure document.

Refer to Note 37 of the financial statements as at 31 December 2025 for disclosure on RWA breakdown by various risk categories.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

1) RWA and Capital Requirement (Cont'd)

31 Dec 2025

Bank

(RM'000)

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	33,091,766	33,091,766	1,527,966	122,237
PSEs	1,496,435	1,378,464	286,149	22,892
Banks, DFIs & MDBs	16,091,083	4,904,993	1,000,421	80,034
Corporates	14,795,708	14,384,041	13,544,056	1,083,525
Regulatory Retail	3,637,661	3,619,404	2,728,674	218,294
Residential Mortgages	10,045,427	10,045,427	3,747,713	299,817
Higher Risk Assets	6,934	6,934	10,401	832
Other Assets	1,747,258	1,747,258	1,628,888	130,311
Equity Exposure	257,761	257,761	257,761	20,621
Defaulted Exposures	456,685	455,052	517,677	41,414
Total for On-Balance Sheet Exposures	81,626,718	69,891,100	25,249,706	2,019,977
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	5,123,416	2,594,071	1,339,759	107,181
Off balance sheet exposures other than OTC derivatives or credit derivatives	15,065,858	14,619,386	10,900,314	872,025
Defaulted Exposures	10,171	10,171	12,104	968
Total for Off-Balance Sheet Exposures	20,199,445	17,223,628	12,252,177	980,174
Total On and Off-Balance Sheet Exposures ^[1]	101,826,163	87,114,728	37,501,883	3,000,151
Market Risk (Standardised Approach)				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	66,063,772	63,481,049	2,582,723	114,465
Foreign Currency Risk	32,717	280,549	280,549	22,444
Equity Risk	-	-	-	208
Options Risk	-	-	-	1,730
	66,096,489	63,761,598	2,863,272	138,847
Operational Risk (Standardised Approach)	-	-	-	500,053
Total RWA and Capital Requirement	-	-	-	3,639,051

^[1] The variance between Gross Exposures and Net Exposures, represents the 'Total On and Off-Balance Sheet Exposures covered by Eligible Collateral'. Refer to Note (g) (3) (ii) CRM within this disclosure document.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

1) RWA and Capital Requirement (Cont'd)

31 Dec 2024

Bank

(RM'000)

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	28,751,709	28,751,709	1,378,054	110,244
PSEs	1,337,038	1,226,519	310,864	24,869
Banks, DFIs & MDBs	12,669,880	4,985,254	1,232,708	98,617
Corporates	15,573,394	15,314,150	13,828,575	1,106,286
Regulatory Retail	3,509,339	3,474,613	2,608,775	208,702
Residential Mortgages	10,376,971	10,376,971	3,801,165	304,093
Higher Risk Assets	6,941	6,941	10,412	833
Other Assets	1,645,460	1,645,460	1,549,277	123,942
Equity Exposure	246,628	246,628	246,628	19,730
Defaulted Exposures	455,455	455,334	515,149	41,212
Total for On-Balance Sheet Exposures	74,572,815	66,483,579	25,481,607	2,038,528
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	4,006,220	2,168,075	1,129,538	90,363
Off balance sheet exposures other than OTC derivatives or credit derivatives	15,131,311	14,713,638	10,786,584	862,927
Defaulted Exposures	7,078	7,078	8,760	701
Total for Off-Balance Sheet Exposures	19,144,609	16,888,791	11,924,882	953,991
Total On and Off-Balance Sheet Exposures ^[1]	93,717,424	83,372,370	37,406,489	2,992,519
Market Risk (Standardised Approach)				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	59,316,995	57,013,491	2,303,504	165,104
Foreign Currency Risk	45,922	9,311	45,922	3,674
Equity Risk	-	-	-	96
Options Risk	-	-	-	6,945
	59,362,917	57,022,802	2,349,426	175,819
Operational Risk (Standardised Approach)	-	-	-	481,873
Total RWA and Capital Requirement	-	-	-	3,650,211

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

OTC - Over the counter

^[1] The variance between Gross Exposures and Net Exposures, represents the 'Total On and Off-Balance Sheet Exposures covered by Eligible Collateral'. Refer to Note (g) (3) (ii) CRM within this disclosure document.

Refer to Note 37 of the financial statements as at 31 December 2025 for disclosure on RWA breakdown by various risk categories.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

2) Risk Weight Profile and RWA

The tables below are disclosures on risk weights profile and RWA for credit risk of the Group and the Bank at reporting date.

31 Dec 2025

Group

(RM'000)

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, DFIs & MDBs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation	Equity		
0%	32,915,898	-	-	-	107,778	25,766	-	-	222,839	-	-	33,272,281	-
20%	9,524,918	2,518,551	2,688,147	-	2,497,607	33,468	-	-	-	-	-	17,262,691	3,452,537
35%	-	-	-	-	-	-	14,714,677	-	-	-	-	14,714,677	5,150,137
50%	-	328,010	2,641,675	-	991,581	21,135	1,027,024	-	-	-	-	5,009,425	2,504,713
75%	-	-	-	-	-	8,136,217	440,464	-	-	350,792	-	8,927,473	6,695,605
100%	-	355,507	641	-	28,003,777	432,890	630,513	-	1,691,627	-	257,761	31,372,716	31,372,716
150%	-	-	75	-	10,710	171,718	68,890	12,108	-	-	-	263,501	395,252
Total												110,822,764	49,570,960
Average Risk Weight	4%	32%	35%	0%	92%	77%	40%	150%	88%	75%	100%	45%	

31 Dec 2024

Group

(RM'000)

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, DFIs & MDBs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation	Equity		
0%	27,225,273	-	-	-	155,017	32,949	-	-	188,350	-	-	27,601,589	-
20%	8,185,455	2,497,236	2,869,931	-	3,588,267	7,498	-	-	-	-	-	17,148,387	3,429,678
35%	-	-	-	-	-	-	15,251,656	-	-	-	-	15,251,656	5,338,080
50%	-	228,588	2,107,292	-	949,939	10,161	1,080,462	-	-	-	-	4,376,442	2,188,221
75%	-	-	-	-	-	8,018,237	353,231	-	-	206,143	-	8,577,611	6,433,209
100%	-	537,992	210,048	1,650	29,014,760	518,127	495,990	-	1,588,804	-	246,628	32,613,999	32,613,999
150%	-	-	-	-	21,902	109,478	79,251	12,390	-	-	-	223,021	334,532
1250%	-	-	-	-	-	-	-	-	712	-	-	712	8,900
Total												105,793,417	50,346,619
Average Risk Weight	5%	35%	35%	100%	90%	77%	39%	150%	90%	75%	100%	48%	

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

2) Risk Weight Profile and RWA (Cont'd)

31 Dec 2025

Bank

(RM'000)

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, DFIs & MDBs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation	Equity		
0%	25,452,103	-	-	-	61,541	14,254	-	-	118,370	-	-	25,646,268	-
20%	7,685,511	1,886,035	5,940,737	-	1,835,546	2,494	-	-	-	-	-	17,350,323	3,470,064
35%	-	-	-	-	-	-	11,059,533	-	-	-	-	11,059,533	3,870,837
50%	-	164,502	1,528,270	-	487,241	14,373	674,856	-	-	-	-	2,869,242	1,434,621
75%	-	-	-	-	-	5,841,986	338,117	-	-	-	-	6,180,103	4,635,077
100%	-	236,807	641	-	21,177,757	96,942	446,414	-	1,628,888	-	257,761	23,845,210	23,845,210
150%	-	-	75	-	9,350	89,938	56,322	8,364	-	-	-	164,049	246,074
Total												87,114,728	37,501,883
Average Risk Weight	5%	30%	26%	0%	92%	76%	40%	150%	93%	0%	100%	43%	

31 Dec 2024

Bank

(RM'000)

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, DFIs & MDBs	Insurance Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Securitisation	Equity		
0%	21,880,516	-	-	-	103,143	20,465	-	-	104,374	-	-	22,108,498	-
20%	6,933,995	1,631,793	5,607,685	-	2,872,292	7,498	-	-	-	-	-	17,053,263	3,410,653
35%	-	-	-	-	-	-	11,609,422	-	-	-	-	11,609,422	4,063,298
50%	-	137,922	1,402,081	-	336,020	676	707,611	-	-	-	-	2,584,310	1,292,155
75%	-	-	-	-	-	5,591,894	239,403	-	-	-	-	5,831,297	4,373,473
100%	-	388,375	210,048	1,650	21,208,819	99,459	343,231	-	1,540,374	-	246,628	24,038,584	24,038,584
150%	-	-	-	-	5,362	74,489	58,088	8,345	-	-	-	146,284	219,426
1250%	-	-	-	-	-	-	-	-	712	-	-	712	8,900
Total												83,372,370	37,406,489
Average Risk Weight	5%	36%	28%	100%	90%	76%	39%	150%	94%	0%	100%	45%	

Note:

MDBs - Multilateral Development Banks
DFIs - Development Financial Institutions
PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk

Table 1: Geographical distribution of loans/financing and advances breakdown by type

Group (RM'000)	31 Dec 2025				
	Northern	Southern	Central	Eastern	Total
Overdrafts/Cash line-i	74,383	57,111	262,204	15,831	409,529
Term loans/financing					
Housing loans/financing	2,274,337	1,661,912	9,070,796	565,977	13,573,022
Syndicated term loan/financing	86,829	-	1,283,803	-	1,370,632
Factoring receivables	38,939	249,453	2,299,997	-	2,588,389
Hire purchase receivables	20,774	57,333	19,467	8,887	106,461
Other term loans/financing	689,052	809,419	5,467,254	187,661	7,153,386
Bills receivables	611,375	1,593,193	2,863,657	11,518	5,079,743
Trust receipts	445,184	542,045	1,568,162	9,972	2,565,363
Staff loans/financing	3,342	2,037	30,375	1,033	36,787
Credit/charge cards	756,104	650,048	2,745,936	271,926	4,424,014
Revolving financing	592,428	257,716	5,059,553	1,003	5,910,700
Other loans/financing	2,036	1,317	5,696	374	9,423
	5,594,783	5,881,584	30,676,900	1,074,182	43,227,449

Group (RM'000)	31 Dec 2024				
	Northern	Southern	Central	Eastern	Total
Overdrafts/Cash line-i	79,428	56,480	602,160	24,316	762,384
Term loans/financing					
Housing loans/financing	2,374,664	1,771,775	9,140,669	612,259	13,899,367
Syndicated term loan/financing	115,597	10,429	2,094,258	-	2,220,284
Factoring receivables	135,595	276,380	2,448,033	1,179	2,861,187
Hire purchase receivables	36,302	62,472	24,072	14,880	137,726
Other term loans/financing	732,414	1,136,498	5,633,061	241,981	7,743,954
Bills receivables	436,616	867,629	2,529,545	875	3,834,665
Trust receipts	772,617	1,299,111	2,113,047	29,851	4,214,626
Claims on customers under acceptance credits	70,126	44,618	125,230	3,420	243,394
Staff loans/financing	3,609	2,245	31,691	997	38,542
Credit/charge cards	726,030	617,500	2,628,959	275,957	4,248,446
Revolving financing	434,695	445,024	5,004,225	1,007	5,884,951
Other loans/financing	1,874	1,183	6,023	271	9,351
	5,919,567	6,591,344	32,380,973	1,206,993	46,098,877

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.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

Table 1: Geographical distribution loans/financing and advances breakdown by type (Cont'd)

		31 Dec 2025				
Bank (RM'000)	Northern	Southern	Central	Eastern	Total	
Overdrafts	54,835	35,794	233,161	15,831	339,621	
Term loans/financing						
Housing loans/financing	1,849,925	1,298,323	6,259,666	486,515	9,894,429	
Syndicated term loan/financing	66,093	-	722,065	-	788,158	
Factoring receivables	38,939	249,453	2,199,969	-	2,488,361	
Other term loans/financing	484,035	430,019	2,559,724	107,270	3,581,048	
Bills receivables	489,910	1,315,703	1,725,549	11,518	3,542,680	
Trust receipts	418,956	517,829	929,077	9,972	1,875,834	
Staff loans/financing	3,108	2,037	29,751	1,033	35,929	
Credit/charge cards	541,721	438,667	1,992,072	223,262	3,195,722	
Revolving financing	442,226	170,423	3,867,909	1,003	4,481,561	
Other loans/financing	1,662	1,090	3,703	321	6,776	
	4,391,410	4,459,338	20,522,646	856,725	30,230,119	

		31 Dec 2024				
Bank (RM'000)	Northern	Southern	Central	Eastern	Total	
Overdrafts	59,102	38,053	571,089	24,316	692,560	
Term loans/financing						
Housing loans/financing	1,936,280	1,387,682	6,383,365	523,167	10,230,494	
Syndicated term loan/financing	86,744	10,429	787,735	-	884,908	
Factoring receivables	135,595	276,380	2,448,033	1,179	2,861,187	
Other term loans/financing	475,958	563,498	2,547,467	136,612	3,723,535	
Bills receivables	307,715	541,785	1,700,047	738	2,550,285	
Trust receipts	722,646	1,290,060	1,559,302	29,851	3,601,859	
Claims on customers under acceptance credits	44,937	31,227	86,919	3,006	166,089	
Staff loans/financing	3,347	2,245	31,028	997	37,617	
Credit/charge cards	509,465	410,230	1,871,440	225,700	3,016,835	
Revolving financing	370,230	130,170	3,447,684	1,007	3,949,091	
Other loans/financing	1,627	880	3,882	260	6,649	
	4,653,646	4,682,639	21,437,991	946,833	31,721,109	

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

Table 2: Geographical distribution of impaired loans/financing breakdown by type

Group (RM'000)	31 Dec 2025				
	Northern	Southern	Central	Eastern	Total
Overdrafts/Cash line-i	8,392	-	4,359	1,038	13,789
Term loans/financing					
Housing loans/financing	81,153	48,562	274,647	14,535	418,897
Other term loans/financing	10,788	33,015	143,808	4,926	192,537
Bills receivables	184	-	12,801	-	12,985
Trust receipts	2,018	(47)	47,676	-	49,647
Staff loans/financing	-	-	426	-	426
Credit/charge cards	4,355	3,896	12,190	1,272	21,713
Revolving financing	-	15,427	45,498	-	60,925
Other loans/financing	1,582	1,010	4,486	268	7,346
	108,472	101,863	545,891	22,039	778,265

Group (RM'000)	31 Dec 2024				
	Northern	Southern	Central	Eastern	Total
Overdrafts/Cash line-i	2,136	689	7,779	1,108	11,712
Term loans/financing					
Housing loans/financing	119,738	120,334	512,301	32,887	785,260
Factoring receivables	-	-	1,003	-	1,003
Other term loans/financing	23,534	54,364	357,219	8,265	443,382
Bills receivables	-	-	14,727	-	14,727
Trust receipts	2,018	2,561	64,790	-	69,369
Staff loans/financing	-	-	723	-	723
Credit/charge cards	4,178	4,456	11,667	1,693	21,994
Revolving financing	-	16,103	58,815	-	74,918
Other loans/financing	1,675	947	5,073	157	7,852
	153,279	199,454	1,034,097	44,110	1,430,940

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

Table 2: Geographical distribution of impaired loans/financing breakdown by type (Cont'd)

	31 Dec 2025				
Bank (RM'000)	Northern	Southern	Central	Eastern	Total
Overdrafts	3,869	-	3,925	1,038	8,832
Term loans/financing					
Housing loans/financing	68,670	38,566	184,652	14,231	306,119
Other term loans/financing	7,635	30,350	76,151	4,736	118,872
Bills receivables	184	-	9,604	-	9,788
Trust receipts	2,018	(47)	47,676	-	49,647
Staff loans/financing	-	-	426	-	426
Credit/charge cards	2,926	2,460	8,105	1,068	14,559
Revolving financing	-	15,427	1,990	-	17,417
Other loans/financing	1,331	875	3,018	222	5,446
	86,633	87,631	335,547	21,295	531,106

	31 Dec 2024				
Bank (RM'000)	Northern	Southern	Central	Eastern	Total
Overdrafts	2,136	688	5,973	1,108	9,905
Term loans/financing					
Housing loans/financing	97,745	88,137	336,256	29,450	551,588
Factoring receivables	-	-	1,003	-	1,003
Other term loans/financing	19,374	49,701	180,787	6,163	256,025
Bills receivables	-	-	4,057	-	4,057
Trust receipts	2,018	2,561	54,932	-	59,511
Staff loans/financing	-	-	723	-	723
Credit/charge cards	3,033	2,794	7,781	885	14,493
Revolving financing	-	16,103	1,989	-	18,092
Other loans/financing	1,483	729	3,203	149	5,564
	125,789	160,713	596,704	37,755	920,961

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

Table 3: Residual contractual maturity loans/financing and advances breakdown by type

		31 Dec 2025			
Group (RM'000)	Maturing within one year	More than one year to three years	More than three years to five years	More than five years	Total
Overdrafts/Cash line-i	409,529	-	-	-	409,529
Term loans/financing					
Housing loans/financing	76,273	62,278	138,923	13,295,548	13,573,022
Syndicated term loan/financing	61,360	680,642	612,146	16,484	1,370,632
Factoring receivables	2,361,521	-	226,868	-	2,588,389
Hire purchase receivables	5,409	58,842	42,210	-	106,461
Other term loans/financing	519,404	1,648,241	2,687,519	2,298,222	7,153,386
Bills receivables	5,063,206	10,357	6,180	-	5,079,743
Trust receipts	2,546,954	8,363	10,046	-	2,565,363
Staff loans/financing	628	4,026	10,104	22,029	36,787
Credit/charge cards	4,424,014	-	-	-	4,424,014
Revolving financing	5,910,700	-	-	-	5,910,700
Other loans/financing	9,423	-	-	-	9,423
	21,388,421	2,472,749	3,733,996	15,632,283	43,227,449

		31 Dec 2024			
Group (RM'000)	Maturing within one year	More than one year to three years	More than three years to five years	More than five years	Total
Overdrafts/Cash line-i	762,384	-	-	-	762,384
Term loans/financing					
Housing loans/financing	71,953	59,042	143,298	13,625,074	13,899,367
Syndicated term loan/financing	1,192,422	400,211	505,530	122,121	2,220,284
Factoring receivables	2,528,835	85,421	246,931	-	2,861,187
Hire purchase receivables	9,804	77,273	50,649	-	137,726
Other term loans/financing	1,063,191	2,078,445	2,210,996	2,391,322	7,743,954
Bills receivables	3,834,622	43	-	-	3,834,665
Trust receipts	4,214,626	-	-	-	4,214,626
Claims on customers under acceptance credits	243,394	-	-	-	243,394
Staff loans/financing	601	4,238	8,629	25,074	38,542
Credit/charge cards	4,248,446	-	-	-	4,248,446
Revolving financing	5,884,951	-	-	-	5,884,951
Other loans/financing	9,351	-	-	-	9,351
	24,064,580	2,704,673	3,166,033	16,163,591	46,098,877

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

Table 3: Residual contractual maturity loans/financing and advances breakdown by type (Cont'd)

31 Dec 2025					
Bank (RM'000)	Maturing within one year	More than one year to three years	More than three years to five years	More than five years	Total
Overdrafts	339,621	-	-	-	339,621
Term loans/financing					
Housing loans/financing	54,583	52,977	113,554	9,673,315	9,894,429
Syndicated term loan/financing	61,360	107,790	602,524	16,484	788,158
Factoring receivables	2,261,493	-	226,868	-	2,488,361
Other term loans/financing	469,122	637,384	1,317,240	1,157,302	3,581,048
Bills receivables	3,542,303	377	-	-	3,542,680
Trust receipts	1,867,471	8,363	-	-	1,875,834
Staff loans/financing	616	3,991	9,750	21,572	35,929
Credit/charge cards	3,195,722	-	-	-	3,195,722
Revolving financing	4,481,561	-	-	-	4,481,561
Other loans/financing	6,776	-	-	-	6,776
	16,280,628	810,882	2,269,936	10,868,673	30,230,119

31 Dec 2024					
Bank (RM'000)	Maturing within one year	More than one year to three years	More than three years to five years	More than five years	Total
Overdrafts	692,560	-	-	-	692,560
Term loans/financing					
Housing loans/financing	49,846	49,764	124,506	10,006,378	10,230,494
Syndicated term loan/financing	271,239	94,596	505,530	13,543	884,908
Factoring receivables	2,528,835	85,421	246,931	-	2,861,187
Other term loans/financing	461,951	1,094,413	881,153	1,286,018	3,723,535
Bills receivables	2,550,242	43	-	-	2,550,285
Trust receipts	3,601,859	-	-	-	3,601,859
Claims on customers under acceptance credits	166,089	-	-	-	166,089
Staff loans/financing	589	4,117	8,448	24,463	37,617
Credit/charge cards	3,016,835	-	-	-	3,016,835
Revolving financing	3,949,091	-	-	-	3,949,091
Other loans/financing	6,649	-	-	-	6,649
	17,295,785	1,328,354	1,766,568	11,330,402	31,721,109

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

Table 4: Distribution loans/financing and advances by sector, breakdown by type

	31 Dec 2025 Group (RM'000)													
	Overdraft/ Cash line-i	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Hire purchase receivables	Other term loans/ financing	Bills receivables	Trust receipts	Claims on customers under acceptance credits	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	18,991	-	-	-	712	11,318	1,288	20,032	-	-	1,069	-	54	53,464
Mining and quarrying	6,916	-	61,360	-	-	7,301	273,361	118,000	-	-	147	244,197	-	711,282
Manufacturing	114,812	-	128,890	524,413	45,867	1,499,679	2,827,836	1,447,742	-	-	56,608	1,121,668	73	7,767,588
Electricity, gas and water	870	-	-	-	-	272,482	6,884	35	-	-	138	270,513	-	550,922
Construction	41,957	-	410,265	610	163	297,052	189,515	70,401	-	-	1,988	834,560	283	1,846,794
Real estate	1,890	-	82,542	-	-	837,554	45,624	429	-	-	379	346,462	65	1,314,945
Wholesale & retail trade and restaurants & hotels	66,324	-	83,253	1,522,713	6,639	826,559	815,331	851,362	-	-	15,276	678,592	2	4,866,051
Transport, storage and communication	4,977	-	-	334,079	25,156	656,527	90,702	26,158	-	-	925	126,485	-	1,265,009
Finance, insurance/takaful and business services	28,903	-	604,322	43,604	-	1,130,377	804,203	20,731	-	-	15,394	2,209,304	1	4,856,839
Household-retail	111,619	13,573,022	-	-	-	1,592,494	4	-	-	36,787	4,329,990	-	8,945	19,652,861
Others *	12,270	-	-	162,970	27,924	22,043	24,995	10,473	-	-	2,100	78,919	-	341,694
	409,529	13,573,022	1,370,632	2,588,389	106,461	7,153,386	5,079,743	2,565,363	-	36,787	4,424,014	5,910,700	9,423	43,227,449
	31 Dec 2024 Group (RM'000)													
	Overdraft/ Cash line-i	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Hire purchase receivables	Other term loans/ financing	Bills receivables	Trust receipts	Claims on customers under acceptance credits	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	18,275	-	-	-	1,247	14,073	1,495	10,447	1,411	-	920	-	16	47,884
Mining and quarrying	7,530	-	94,596	-	-	9,339	19,792	1,432	3,093	-	130	193,348	-	329,260
Manufacturing	324,068	-	183,845	596,848	70,524	1,708,663	1,672,356	2,383,611	124,677	-	50,395	865,566	121	7,980,674
Electricity, gas and water	1,416	-	-	-	-	28,948	4,058	4,975	1,833	-	141	292,702	-	334,073
Construction	54,472	-	599,165	14,396	360	403,715	126,638	157,148	8,252	-	1,348	706,125	36	2,071,655
Real estate	2,569	-	510,062	-	-	931,182	618	54,705	55	-	185	405,342	-	1,904,718
Wholesale & retail trade and restaurants & hotels	169,590	-	38,565	578,924	10,617	695,708	628,262	1,363,355	99,851	-	8,109	881,344	47	4,474,372
Transport, storage and communication	11,146	-	-	343,659	37,358	406,148	119,130	26,713	388	-	861	110,653	20	1,056,076
Finance, insurance/takaful and business services	82,991	-	13,543	25,021	407	954,937	20,628	30,029	3,524	-	9,430	1,805,925	17	2,946,452
Household-retail	76,939	13,899,367	-	-	-	1,710,424	-	-	-	38,542	4,175,379	-	9,094	19,909,745
Others	13,388	-	780,508	1,302,339	17,213	880,817	1,241,688	182,211	310	-	1,548	623,946	-	5,043,968
	762,384	13,899,367	2,220,284	2,861,187	137,726	7,743,954	3,834,665	4,214,626	243,394	38,542	4,248,446	5,884,951	9,351	46,098,877

* Effective 31 December 2025, foreign entities customers are reported in its respective sectors.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

Table 4: Distribution loans/financing and advances by sector, breakdown by type (Cont'd)

31 Dec 2025													
Bank (RM'000)													
Overdraft	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Other term loans/ financing	Bills receivables	Trust receipts	Claims on customers under acceptance credits	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total	
Agricultural, hunting, forestry and fishing	18,991	-	-	-	11,318	1,288	20,032	-	-	1,069	-	54	52,752
Mining and quarrying	5,826	-	61,360	-	7,297	270,595	118,000	-	-	147	182,096	-	645,321
Manufacturing	95,557	-	66,093	524,413	1,039,766	2,384,699	1,293,349	-	-	56,608	1,025,242	73	6,485,800
Electricity, gas and water	870	-	-	-	46,532	6,884	35	-	-	138	200,062	-	254,521
Construction	33,909	-	410,265	610	136,325	68,455	58,595	-	-	1,988	387,827	283	1,098,257
Real estate	1,890	-	82,542	-	63,488	45,624	429	-	-	379	264,361	65	458,778
Wholesale & retail trade and restaurants & hotels	59,629	-	83,253	1,522,713	638,466	652,068	348,324	-	-	15,276	562,367	2	3,882,098
Transport, storage and communication	4,298	-	-	334,079	114,430	77,862	5,911	-	-	925	76,617	-	614,122
Finance, insurance/takaful and business services	15,379	-	84,645	43,604	758,879	31,545	20,731	-	-	15,394	1,708,087	1	2,678,265
Household-retail	103,182	9,894,429	-	-	750,307	-	-	35,929	3,101,698	-	6,298	13,891,843	
Others *	90	-	-	62,942	14,240	3,660	10,428	-	-	2,100	74,902	-	168,362
	339,621	9,894,429	788,158	2,488,361	3,581,048	3,542,680	1,875,834	-	35,929	3,195,722	4,481,561	6,776	30,230,119

31 Dec 2024													
Bank (RM'000)													
Overdraft	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Other term loans/ financing	Bills receivables	Trust receipts	Claims on customers under acceptance credits	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total	
Agricultural, hunting, forestry and fishing	18,274	-	-	-	11,713	1,495	10,447	1,411	-	920	-	16	44,276
Mining and quarrying	5,980	-	94,596	-	9,335	-	1,432	1,132	-	130	80,274	-	192,879
Manufacturing	309,008	-	86,744	596,848	969,073	1,159,179	2,341,866	96,321	-	50,395	766,128	121	6,375,683
Electricity, gas and water	1,416	-	-	-	25,131	4,058	4,975	1,833	-	141	200,134	-	237,688
Construction	41,832	-	390,650	14,396	136,401	13,222	147,292	3,365	-	1,348	495,907	36	1,244,449
Real estate	2,569	-	160,020	-	101,642	618	54,705	55	-	185	364,615	-	684,409
Wholesale & retail trade and restaurants & hotels	157,837	-	38,565	578,924	569,657	385,436	927,796	58,431	-	8,109	728,740	47	3,453,542
Transport, storage and communication	7,046	-	-	343,659	271,355	104,740	5,457	96	-	861	18,541	-	751,755
Finance, insurance/takaful and business services	70,188	-	13,543	25,021	627,243	20,506	30,029	3,135	-	9,430	1,121,731	17	1,920,843
Household-retail	76,937	10,230,494	-	-	775,878	-	-	-	37,617	2,943,768	-	6,412	14,071,106
Others	1,473	-	100,790	1,302,339	226,107	861,031	77,860	310	-	1,548	173,021	-	2,744,479
	692,560	10,230,494	884,908	2,861,187	3,723,535	2,550,285	3,601,859	166,089	37,617	3,016,835	3,949,091	6,649	31,721,109

* Effective 31 December 2025, foreign entities customers are reported in its respective sectors.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

Table 5: Distribution of impaired loans/financing and advances by sector, breakdown by type

	31 Dec 2025										
	Group (RM'000)										
	Overdraft/ Cash line-i	Housing loans/ financing	Factoring receivables	Other term loans/ financing	Bills receivables	Trust receipts	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	922	-	-	2,171	-	-	-	-	-	54	3,147
Mining and quarrying	2,388	-	-	129	184	-	-	-	-	-	2,701
Manufacturing	751	-	-	2,018	-	2,018	-	-	-	73	4,860
Electricity, gas and water	917	-	-	-	2,583	-	-	-	43,508	-	47,008
Construction	3,487	-	-	5,766	-	47,355	-	-	1,990	283	58,881
Real estate	-	-	-	22,687	-	-	-	-	15,427	65	38,179
Wholesale & retail trade and restaurants & hotels	983	-	-	4,505	9,338	274	-	-	-	2	15,102
Transport, storage and communication	1	-	-	-	880	-	-	-	-	-	881
Finance, insurance/takaful and business services	3,647	-	-	895	-	-	-	-	-	1	4,543
Household-retail	693	418,897	-	154,366	-	-	426	21,713	-	6,868	602,963
	13,789	418,897	-	192,537	12,985	49,647	426	21,713	60,925	7,346	778,265

	31 Dec 2024										
	Group (RM'000)										
	Overdraft/ Cash line-i	Housing loans/ financing	Factoring receivables	Other term loans/ financing	Bills receivables	Trust receipts	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	1,034	-	-	2,421	-	-	-	-	-	16	3,471
Manufacturing	1,881	-	-	725	-	4,579	-	-	-	73	7,258
Electricity, gas and water	1,083	-	-	-	4,057	2,893	-	-	56,826	-	64,859
Construction	4,231	-	-	7,068	6,695	57,263	-	-	1,989	31	77,277
Real estate	-	-	-	40,069	-	-	-	-	16,103	-	56,172
Wholesale & retail trade and restaurants & hotels	-	-	1,003	8,932	1,791	989	-	-	-	47	12,762
Transport, storage and communication	4	-	-	1,878	2,184	-	-	-	-	15	4,081
Finance, insurance/takaful and business services	2,132	-	-	428	-	3,645	-	-	-	17	6,222
Household-retail	1,347	785,260	-	381,861	-	-	723	21,994	-	7,653	1,198,838
	11,712	785,260	1,003	443,382	14,727	69,369	723	21,994	74,918	7,852	1,430,940

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

Table 5: Distribution of impaired loans/financing and advances by sector, breakdown by type (Cont'd)

31 Dec 2025										
Bank (RM'000)										
Overdraft	Housing loans/ financing	Factoring receivables	Other term loans/financing	Bills receivables	Trust receipts	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	922	-	-	2,171	-	-	-	-	54	3,147
Mining and quarrying	1,512	-	-	129	184	-	-	-	-	1,825
Manufacturing	751	-	-	725	-	2,018	-	-	73	3,567
Electricity, gas and water	917	-	-	-	2,583	-	-	-	-	3,500
Construction	3,053	-	-	5,766	-	47,355	-	1,990	283	58,447
Real estate	-	-	-	22,687	-	-	-	15,427	65	38,179
Wholesale & retail trade and restaurants & hotels	983	-	-	1,560	7,021	274	-	-	2	9,840
Transport, storage and communication	1	-	-	-	-	-	-	-	-	1
Finance, insurance/takaful and business services	-	-	-	368	-	-	-	-	1	369
Household-retail	693	306,119	-	85,466	-	-	426	14,559	4,968	412,231
	8,832	306,119	-	118,872	9,788	49,647	426	14,559	17,417	531,106

31 Dec 2024										
Bank (RM'000)										
Overdraft	Housing loans/ financing	Factoring receivables	Other term loans/financing	Bills receivables	Trust receipts	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	1,030	-	-	2,421	-	-	-	-	16	3,467
Manufacturing	1,881	-	-	725	-	4,579	-	-	73	7,258
Electricity, gas and water	924	-	-	-	4,057	2,893	-	-	-	7,874
Construction	2,587	-	-	6,124	-	47,405	-	1,989	31	58,136
Real estate	-	-	-	40,069	-	-	-	16,103	-	56,172
Wholesale & retail trade and restaurants & hotels	-	-	1,003	8,932	-	989	-	-	47	10,971
Transport, storage and communication	4	-	-	-	-	-	-	-	-	4
Finance, insurance/takaful and business services	2,132	-	-	428	-	3,645	-	-	17	6,222
Household-retail	1,347	551,588	-	197,326	-	-	723	14,493	5,380	770,857
	9,905	551,588	1,003	256,025	4,057	59,511	723	14,493	18,092	920,961

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

Table 6: All past due loans/financing and advances breakdown by sector ^[1]

	Group (RM'000)		Bank (RM'000)	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Agricultural, hunting, forestry and fishing	2,226	3,468	2,226	3,467
Mining and quarrying	184	-	184	-
Manufacturing	12,536	18,911	4,292	11,943
Electricity, gas and water	47,105	64,429	3,597	7,875
Construction	59,859	63,398	59,859	59,015
Real estate	38,286	58,599	38,286	58,346
Wholesale & retail trade and restaurants & hotels	73,048	19,640	70,105	16,558
Transport, storage and communication	1,434	2,121	1	228
Finance, insurance/takaful and business services	6,423	8,693	2,265	8,266
Household-retail	1,634,539	1,725,631	1,125,617	1,189,647
Others	-	833	-	316
	1,875,640	1,965,723	1,306,432	1,355,661

Table 7: All past due loans/financing and advances breakdown by geographical location ^[1]

	Group (RM'000)		Bank (RM'000)	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Northern region	287,534	302,691	224,498	245,083
Southern region	329,455	313,791	263,314	238,815
Central region	1,182,111	1,269,419	756,853	805,074
Eastern region	76,540	79,822	61,767	66,689
	1,875,640	1,965,723	1,306,432	1,355,661

Table 8: Impairment allowance breakdown by sector

	Group (RM'000)		Bank (RM'000)	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Agricultural, hunting, forestry and fishing	499	552	498	520
Mining and quarrying	283	160	280	121
Manufacturing	9,437	12,552	5,168	6,070
Electricity, gas and water	45,549	62,592	1,743	5,603
Construction	49,221	49,579	48,266	45,890
Real estate	18,157	27,898	17,326	26,165
Wholesale & retail trade and restaurants & hotels	11,612	11,552	6,120	6,575
Transport, storage and communication	1,126	3,632	392	1,205
Finance, insurance/takaful and business services	2,745	7,619	998	7,163
Household-retail	327,264	383,324	182,068	195,058
Others	553	1,899	71	714
	466,446	561,359	262,930	295,084

Table 9: Impairment allowance breakdown by geographical location

	Group (RM'000)		Bank (RM'000)	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Northern region	48,704	58,477	30,764	36,370
Southern region	66,397	82,674	46,575	54,562
Central region	337,768	403,509	176,418	194,217
Eastern region	13,577	16,699	9,173	9,935
	466,446	561,359	262,930	295,084

^[1] of which the portion of impaired loans breakdown by sector and geographical location is disclosed in Note 13 (ii) and 13 (iv) of the financial statements as at 31 December 2025 respectively.

The breakdown of loan/financing impairment allowance during the year is disclosed in Note 14 (i) of the financial statements as at 31 December 2025.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

Table 10: Net impairment allowance in profit or loss during the period breakdown by sector

<i>(Releases) / Charges</i>	Group (RM'000)		Bank (RM'000)	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
Agricultural, hunting, forestry and fishing	(53)	(60)	(22)	(49)
Mining and quarrying	131	(277)	164	(259)
Manufacturing	(5,657)	(2,730)	(738)	10
Electricity, gas and water	(3,974)	7,017	(3,860)	5,537
Construction	(14,417)	(6,049)	(12,161)	(2,160)
Real estate	(9,771)	(28,350)	(8,869)	(25,942)
Wholesale & retail trade and restaurants & hotels	1,164	(3,210)	647	(160)
Transport, storage and communication	(2,162)	1,359	(812)	650
Finance, insurance/takaful and business services	1,210	(1,187)	(64)	(255)
Household-retail	24,376	(23,975)	42,994	(7,019)
Others	(678)	(520)	(281)	250
	(9,831)	(57,982)	16,998	(29,397)

The breakdown of loan/financing net impairment allowance during the year is disclosed in Note 31 (i) of the financial statements as at 31 December 2025.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

i) External Credit Assessment Institutions (ECAIs)

The standardised approach requires banks to use risk assessments prepared by ECAIs to determine the risk weightings applied to rated counterparties.

ECAIs are used by the Group as part of the determination of risk weightings for the following classes of exposure:

- Sovereigns and Central Banks
- Public sector entities
- Insurance companies, securities firms & fund managers
- Banks, multilateral development banks and development financial institutions
- Corporates
- Securitisation

For the purpose of Pillar 3 reporting to BNM, the Group and the Bank uses the external credit ratings from the following ECAIs:

- Standard & Poor's Rating Services (S&P)
- Moody's Investors Services (Moody's)
- Fitch Ratings (Fitch)
- RAM Rating Services Berhad (RAM)
- Malaysian Rating Corporation Berhad (MARC)

Data files of external ratings from the nominated ECAIs are matched with the customer records in the Group's centralised credit database. When calculating the risk-weighted value of any exposure under the standardised approach, the customer in question is identified and matched to a rating, according to BNM's selection rules. The relevant risk weight is then derived using the BNM's detailed risk weights and rating categories. All other exposure classes are assigned risk weightings as detailed in the BNM Capital Adequacy Framework (Basel II-Risk-Weighted Assets).

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

The rated and unrated exposures according to ratings by ECAIs at reporting date are as follows:

31 Dec 2025

Group (RM '000)

Exposure Class	Ratings by Approved ECAIs							
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	B1 to B3	Caa1 to C	Unrated
	S & P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to BB3	B1 to B3	C1 to D	Unrated
MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	C+ to D	Unrated	
On and Off-Balance-Sheet Exposures								
Sovereign and Central Banks ^[1]	408,388	27,116,524	14,915,904	-	-	-	-	-
PSEs	604,062	260,851	177,434	-	-	-	-	2,279,647
Banks, MDBs and DFIs	3,401,213	6,436,173	7,485,815	5,432	-	-	-	1,587,907
Corporates	2,472,674	988,337	261,264	-	-	-	-	28,953,875
Securitisation	-	-	-	-	-	-	-	350,792

31 Dec 2024

Group (RM '000)

Exposure Class	Ratings by Approved ECAIs							
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	B1 to B3	Caa1 to C	Unrated
	S & P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to BB3	B1 to B3	C1 to D	Unrated
MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	C+ to D	Unrated	
On and Off-Balance-Sheet Exposures								
Sovereign and Central Banks ^[1]	886,488	18,861,576	15,662,663	-	-	-	-	-
PSEs	578,848	244,708	176,386	-	-	-	-	2,376,173
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	1,650
Banks, MDBs and DFIs	2,451,108	6,062,195	3,860,640	4,740	-	-	-	2,021,637
Corporates	3,554,262	962,847	53,782	-	-	-	-	30,074,346
Securitisation	-	-	-	-	-	-	-	206,143

^[1] Under the Risk Weighted Capital Adequacy Framework (Basel II), exposures denominated and funded in MYR and guaranteed by the Federal Government of Malaysia or BNM are accorded a preferential sovereign risk weight of 0%.

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

31 Dec 2025

Bank (RM '000)

Exposure Class	Ratings by Approved ECAIs							
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	B1 to B3	Caa1 to C	Unrated
	S & P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to BB3	B1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	C+ to D	Unrated
On and Off-Balance-Sheet Exposures								
Sovereign and Central Banks ^[1]		408,388	19,705,377	13,023,848	-	-	-	-
PSEs		287,194	183,068	177,434	-	-	-	1,759,575
Banks, MDBs and DFIs		7,110,790	5,409,621	7,312,547	4,839	-	-	1,308,693
Corporates		1,815,444	505,826	261,264	-	-	-	21,851,230

31 Dec 2024

Bank (RM '000)

Exposure Class	Ratings by Approved ECAIs							
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	B1 to B3	Caa1 to C	Unrated
	S & P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to BB3	B1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	C+ to D	Unrated
On and Off-Balance-Sheet Exposures								
Sovereign and Central Banks ^[1]		886,488	14,690,438	13,237,584	-	-	-	-
PSEs		250,314	156,363	176,386	-	-	-	1,687,328
Insurance Cos, Securities Firms & Fund Managers		-	-	-	-	-	-	1,650
Banks, MDBs and DFIs		5,467,743	5,368,669	3,860,528	4,740	-	-	1,927,184
Corporates		2,844,808	373,096	53,782	-	-	-	21,992,156

^[1] Under the Risk Weighted Capital Adequacy Framework (Basel II), exposures denominated and funded in MYR and guaranteed by the Federal Government of Malaysia or BNM are accorded a preferential sovereign risk weight of 0%.

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

ii) Credit Risk Mitigation (CRM)

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

The Group's policy when granting credit facilities is on the basis of the customer's capacity to repay, rather than placing primary reliance on credit risk mitigants. Depending on the customer's standing and the type of product, facilities may be provided unsecured. Mitigation of credit risk is nevertheless a key aspect of effective risk management in the Group and takes many forms.

The Group's general policy is to promote the use of credit risk mitigants, justified by commercial prudence and good practice as well as capital efficiency. Specific, detailed policies cover acceptability, structuring and terms of various types of business with regard to the availability of credit risk mitigants, for example in the form of collateral security, and these policies, together with the determination of suitable valuation parameters, are subject to regular review to ensure that they are supported by empirical evidence and continue to fulfil their intended purpose.

The most common method of mitigating credit risk is to take collateral. The principal collateral types employed by the Group are as follows:

- under the residential and real estate business, the financed property will be taken as collateral;
- under the Retail Wealth Portfolio Lending, liquid marketable securities are accepted as collaterals;
- under certain Islamic specialised financing and leasing transactions (such as machinery financing) where physical assets form the principal source of facility repayment, physical collateral is typically taken;
- in the commercial and industrial sectors, charges over business assets such as premises, stock and debtors;
- facilities provided to small and medium enterprises are commonly granted against guarantees by their owners/directors; or by third party credit guarantee institutions;
- guarantees from third parties can arise where facilities are extended without the benefit of any alternative form of security; e.g. where the Group issues a bid or performance sukuk in favour of a non-customer at the request of another bank;
- under the institutional sector, certain trading facilities are supported by charges over financial instruments such as cash, debt securities and equities;
- financial collateral in the form of cash and marketable securities are used in much of the over-the-counter (OTC) derivatives activities and in the Group's securities financing business (securities lending and borrowing or repos and reverse repos); and
- netting is used where appropriate, and supported by market standard documentation.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt of cash, securities or equities. Daily settlement limits are established for counterparties to cover the aggregate of all the settlement risk arising from all the transactions involved on a single day. Settlement risk on many transactions, particularly those involving securities and equities, is substantially mitigated by settling through assured payment systems or on a delivery-versus-payment basis.

Policies and procedures govern the protection of the Group's position from the outset of a customer relationship, for instance in requiring standard terms and conditions or specifically agreed documentation permitting the offset of credit balances against debt obligations and through controls over the integrity, current valuation and, if necessary, realisation of collateral security.

The valuation of credit risk mitigants seeks to monitor and ensure that they will continue to provide the secured repayment source anticipated at the time they were taken. The Group's policy prescribes valuation annually, or more frequently as the need may arise, for impaired accounts. For property taken as collateral for new or additional facilities, a valuation report is required from a panel valuer. For auction purposes, full valuations are compulsory. This is to avoid the risk of the settlement sum being challenged by the borrower/charger on the grounds that the correct valuation was not applied.

The appointment of panel valuers is conducted via Vendor Risk Management whereby due diligence is undertaken in accordance with Suppliers Risk Management and Third Party Associated Persons Bribery Risk Assessment and Due Diligence Policy at the origination of the relationship in accordance with Group Third Party Risk Management Policy.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

The table below shows the on and off balance sheet exposures before and after CRM.

31 Dec 2025
Group (RM'000)

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<u>Credit Risk</u>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	42,394,969	-	-	-
PSEs	1,965,379	-	117,971	-
Banks, DFIs & MDBs	14,162,947	-	11,473,263	-
Corporates	20,537,795	390,454	493,900	-
Regulatory Retail	5,603,575	45,175	27,126	-
Residential Mortgages	13,710,042	-	-	-
Higher Risk Assets	9,370	-	159	-
Other Assets	1,914,466	-	-	-
Securitisation Exposures	350,792	-	-	-
Equity Exposure	257,761	-	-	-
Defaulted Exposures	695,914	4,868	2,042	-
Total for On-Balance Sheet Exposures	101,603,010	440,497	12,114,461	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	5,009,232	-	812,227	1,339,179
Off balance sheet exposures other than OTC derivatives or credit derivatives	19,030,336	504,251	569,905	-
Defaulted Exposures	15,958	-	-	-
Total for Off-Balance Sheet Exposures	24,055,526	504,251	1,382,132	1,339,179
Total On and Off-Balance Sheet Exposures	125,658,536	944,748	13,496,593	1,339,179

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

The table below shows on and off balance sheet exposures before and after CRM.

31 Dec 2024
Group (RM'000)

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<u>Credit Risk</u>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	35,327,925	-	-	-
PSEs	1,978,973	-	110,519	-
Banks, DFIs & MDBs	10,759,253	-	7,684,626	-
Corporates	22,814,577	1,172,809	329,635	-
Regulatory Retail	5,589,956	32,748	43,073	-
Residential Mortgages	13,989,211	-	-	-
Higher Risk Assets	9,641	-	154	-
Other Assets	1,777,866	-	-	-
Securitisation Exposures	206,143	-	-	-
Equity Exposure	246,628	-	-	-
Defaulted Exposures	720,551	2,317	221	-
Total for On-Balance Sheet Exposures	93,420,724	1,207,874	8,168,228	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	3,867,924	-	149,210	1,492,933
Off balance sheet exposures other than OTC derivatives or credit derivatives	18,830,272	371,931	528,283	-
Defaulted Exposures	13,151	-	-	-
Total for Off-Balance Sheet Exposures	22,711,347	371,931	677,493	1,492,933
Total On and Off-Balance Sheet Exposures	116,132,071	1,579,805	8,845,721	1,492,933

Note:

MDBs - Multilateral Development Banks
DFIs - Development Financial Institutions
PSEs - Public Sector Entities
OTC - Over the counter

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

The table below shows the on and off balance sheet exposures before and after CRM.

31 Dec 2025
Bank (RM'000)

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<u>Credit Risk</u>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	33,091,766	-	-	-
PSEs	1,496,435	-	117,971	-
Banks, DFIs & MDBs	16,091,083	-	11,186,090	-
Corporates	14,795,708	249,699	411,667	-
Regulatory Retail	3,637,661	12,500	18,257	-
Residential Mortgages	10,045,427	-	-	-
Higher Risk Assets	6,934	-	-	-
Other Assets	1,747,258	-	-	-
Equity Exposure	257,761	-	-	-
Defaulted Exposures	456,685	690	1,633	-
Total for On-Balance Sheet Exposures	81,626,718	262,889	11,735,618	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	5,123,416	-	1,190,166	1,339,179
Off balance sheet exposures other than OTC derivatives or credit derivatives	15,065,858	353,536	446,472	-
Defaulted Exposures	10,171	-	-	-
Total for Off-Balance Sheet Exposures	20,199,445	353,536	1,636,638	1,339,179
Total On and Off-Balance Sheet Exposures	101,826,163	616,425	13,372,256	1,339,179

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

The table below shows on and off balance sheet exposures before and after CRM.

31 Dec 2024

Bank (RM'000)

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
<u>Credit Risk</u>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	28,751,709	-	-	-
PSEs	1,337,038	-	110,519	-
Banks, DFIs & MDBs	12,669,880	-	7,684,626	-
Corporates	15,573,394	881,830	259,244	-
Regulatory Retail	3,509,339	22,931	34,726	-
Residential Mortgages	10,376,971	-	-	-
Higher Risk Assets	6,941	-	-	-
Other Assets	1,645,460	-	-	-
Equity Exposure	246,628	-	-	-
Defaulted Exposures	455,455	936	121	-
Total for On-Balance Sheet Exposures	74,572,815	905,697	8,089,236	-
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	4,006,220	-	345,212	1,492,933
Off balance sheet exposures other than OTC derivatives or credit derivatives	15,131,311	314,431	417,673	-
Defaulted Exposures	7,078	-	-	-
Total for Off-Balance Sheet Exposures	19,144,609	314,431	762,885	1,492,933
Total On and Off-Balance Sheet Exposures	93,717,424	1,220,128	8,852,121	1,492,933

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

OTC - Over the counter

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

3) Credit Risk (Cont'd)

iii) Counterparty Credit Risk

Limits for CCR exposures, are assigned within the overall credit risk management process. The credit risk function assigns a limit against each counterparty to cover exposure that may arise as a result of a counterparty default. The magnitude of this limit will depend on the overall risk appetite, type of derivatives and type of Secured Financing Transactions (SFTs) trading undertaken with a counterparty.

Models and methodologies used in the calculation of CCR are overseen and monitored by the Traded Risk Model Oversight Forum. Models are subject to ongoing monitoring and validation. Additionally, they are subject to independent review at inception and on an ongoing basis.

HSBC has established a measure, Cat F, specifically to monitor derivative financing and securities financing transactions at a counterparty level. This is ancillary to the existing Cat B counterparty credit risk measure.

iv) Securitisation

The Bank currently does not have any securitisation activities.

Its fully owned subsidiary, HBMS, is involved in the investment of Sukuk backed by securitisation by a pool of auto financing. The securitisation transaction entered is subject to independent risk assessment and approval. Special purpose entity has been established and managed by third party and is not controlled by HBMS.

The securitisation exposure is recognised as financial assets at amortised cost in the banking book. The accounting policy on financial instruments measured at amortised cost is disclosed in Note 3(g) of the financial statements as at 31 December 2025

31 Dec 2025

Group (RM'000)

Securitisation Exposures by Exposure Type	Exposure Value of Positions Purchased or Retained	Eligible CRM	Exposure after CRM	Risk Weights of Unrated Securitisation Exposures 75% (Look-through)	
				Exposures	Risk Weighted Assets
Traditional Securitisation (Banking book exposures)					
Non-originating Banking Institution					
On Balance Sheet Exposure - Most Senior	350,295	-	350,792	350,792	263,094

31 Dec 2024

Group (RM'000)

Securitisation Exposures by Exposure Type	Exposure Value of Positions Purchased or Retained	Eligible CRM	Exposure after CRM	Risk Weights of Unrated Securitisation Exposures 75% (Look-through)	
				Exposures	Risk Weighted Assets
Traditional Securitisation (Banking book exposures)					
Non-originating Banking Institution					
On Balance Sheet Exposure - Most Senior	205,661	-	206,143	206,143	154,607

4) Collateral Arrangements

To calculate counterparty's net risk position for counterparty credit risk, the Group revalue all financial instruments and associated collateral positions on a daily basis. A dedicated Collateral Management function independently monitors counterparties' associated collateral positions and manages a process which ensures that calls for collateral top-ups or exposure reductions are made promptly. Processes exist for the resolution of situations where the level of collateral is disputed or the collateral sought is not received.

Eligible collateral types are documented by Credit Support Annexes (CSA) of the International Swaps and Derivatives Association (ISDA) Master Agreement and are controlled under a policy which ensures the collateral agreed to be taken exhibits characteristics such as price transparency, price stability, liquidity, enforceability, independence, reusability and eligibility for regulatory purposes. A valuation 'haircut' policy generally reflects the fact that collateral may fall in value between the date the collateral was called and the date of regular margining or date of liquidation or enforcement. Generally, collateral held as credit risk mitigants under CSAs is either cash or government securities.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

5) Interest Rate Risk/Profit Rate Risk

Sensitivity of projected Net Interest/Finance Income

The interest/profit rate sensitivities set out in the table below are illustrative only and are based on simplified scenarios.

Change in projected net interest/finance income in next 12 months arising from a shift in interest/profit rates of:

	Group (RM'000)			
	31 Dec 2025		31 Dec 2024	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	206,863	(120,256)	192,203	(197,252)
USD	86,997	(90,715)	54,933	(55,126)
Others	29,498	(28,346)	27,277	(23,874)
	323,358	(239,317)	274,413	(276,252)

	Bank (RM'000)			
	31 Dec 2025		31 Dec 2024	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	151,216	(94,145)	146,537	(150,392)
USD	81,738	(85,182)	49,479	(49,677)
Others	27,698	(26,460)	25,861	(22,463)
	260,652	(205,787)	221,877	(222,532)

Sensitivity of projected Economic value of equity (EVE)

The increase/(decrease) in economic value for upward and downward rate shocks for measuring interest rate risk/rate of return risk in the banking book are set out in the table below.

Change in projected EVE arising from a shift in interest/profit rates of:

	Group (RM'000)			
	31 Dec 2025 *		31 Dec 2024	
Basis point parallel shift in yield curves	+ 200 bps	- 200 bps	+ 200 bps	- 200 bps
MYR	(307,519)	177,863	(270,170)	316,894
USD	(11,225)	6,437	(47,133)	52,416
Others	4,281	(10,427)	9,648	(9,421)
	(314,463)	173,873	(307,655)	359,889

	Bank (RM'000)			
	31 Dec 2025 *		31 Dec 2024	
Basis point parallel shift in yield curves	+ 200 bps	- 200 bps	+ 200 bps	- 200 bps
MYR	(199,728)	115,640	(183,023)	215,700
USD	(9,988)	5,529	(48,442)	53,475
Others	3,362	(7,919)	8,051	(8,020)
	(206,354)	113,250	(223,414)	261,155

* The EVE computation was refined during 2025 and applied from the 31 December 2025 reporting date to better capture the risk to the sensitivity.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

5) Interest Rate Risk/Profit Rate Risk (Cont'd)

The sensitivity of reported reserves in 'other comprehensive income' to interest/profit rate movements are monitored on a monthly basis by assessing the expected reduction in valuation of financial investments at fair value through other comprehensive income (FVOCI) portfolios to parallel movements of plus or minus 100 basis points in all yield curves.

Sensitivity of reported reserves in 'other comprehensive income' to interest/profit rate movements

	Group (RM'000)			
	31 Dec 2025		31 Dec 2024	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	(251,719)	251,719	(232,280)	232,280
USD	(13,943)	13,943	(33,696)	33,696
	(265,662)	265,662	(265,976)	265,976

	Bank (RM'000)			
	31 Dec 2025		31 Dec 2024	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	(221,912)	221,912	(203,641)	203,641
USD	(13,943)	13,943	(33,696)	33,696
	(235,855)	235,855	(237,337)	237,337

6) Equities

As at 31 December 2025, the Group does not hold any quoted shares. The Group's holding of unquoted shares at 31 December 2025 was mainly of shares held for the purpose of gaining strategic advantage. These shares are not held for capital gains and are recorded based on net tangible assets as measurement of fair value. The unquoted equities are risk weighted at 100% or 150% as per Risk Weighted Capital Adequacy Framework (Basel II).

Refer to Note 10 of the financial statements as at 31 December 2025 on the Group's holdings of equity investments.

7) Liquidity

The Group monitors and reports Liquidity Coverage Ratio (LCR) based on the BNM LCR Policy Document dated 25 August 2016 with the focus of ensuring a sufficient buffer of liquid assets that could be easily converted into cash to meet the liquidity needs for the next 30 calendar days.

The LCR% presented below indicate the rolling 12 months average based on BNM's guidelines on Liquidity Risk Disclosure dated 15 October 2024. As of 31 December 2025, the Group has maintained sound liquidity levels above regulatory requirements.

	Group		Bank	
	31 Dec 2025	31 Dec 2024	31 Dec 2025	31 Dec 2024
LCR%, at rolling 12 months average	265	247	265	258

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

8) Shariah Governance (for HSBC Amanah Malaysia Berhad only)

Overview

Shariah compliance is a cornerstone and is integral to the stability of Islamic banking and finance industry. An effective Shariah governance policy enhances the diligent oversight accountabilities of the Board of Directors (BOD), the Shariah Committee (SC) and the Management to ensure that the operations and business activities of the Islamic Financial Institutions (IFI) remain consistent with Shariah principles and requirements.

To ensure Shariah compliance in all aspects of day-to-day Islamic finance activities, the Malaysian regulatory bodies such as BNM and Securities Commission Malaysia have outlined several laws and regulations on Shariah in particular the provisions on the establishment of a SC and internal Shariah control functions. The SC is an independent Shariah advisory body which plays a vital role in providing Shariah views and decisions and performs an oversight role on Shariah governance implementation related to the IFI's business operations and activities. At the institutional level, the Shariah Department acts as a delegated authority of the SC in providing Shariah advisory to the Management team of the IFI. The Shariah control functions have the role to assist the Management in ensuring that all activities of the IFI are in compliance with the Shariah rules and principles, and expectations for effective Shariah governance arrangements in accordance with the guidelines outlined by Shariah-Regulatory Framework Policy Documents (PDs) and BNM Shariah Governance Policy Document (SGPD), respectively. However, the accountability to ensure Shariah compliance remains with the IFI's BOD.

Qualitative Disclosures - Key Components and Core Shariah Functions in Implementing and Monitoring the Shariah Governance Practices as per the SGPD

The governance structure of HBMS and the primary responsibilities of each function are set out below:

a. Board of Directors

To have the ultimate oversight accountability for the institutionalisation of overall Shariah governance framework and Shariah compliance of HBMS.

b. Shariah Committee

To have the oversight responsibility and accountability in providing objective and sound advice or decisions to ensure on the operations, affairs and business activities of HBMS are in compliance with Shariah.

c. CEO and Management

To be primarily responsible over the day-to-day management of HBMS in ensuring compliance with Shariah in all aspects of its operations, affairs and business activities by observing and implementing the Shariah rulings by the Shariah Advisory Council (SAC) of BNM and SAC of Securities Commission Malaysia, as well as decisions of the SC, and to identify and refer any Shariah issues to the SC for its decisions, views and opinions.

d. Shariah Audit

To provide independent assessment on the quality and effectiveness of HBMS' internal control, risk management systems, governance processes as well as the overall compliance of HBMS' operations, businesses, affairs and activities with Shariah.

e. Shariah Risk Management

To coordinate the identification, measurement, monitoring and reporting of Shariah non-compliance risks in the operations, businesses, affairs and activities of HBMS and to formulate and recommend appropriate Shariah non-compliance risk management policies and procedures and risk awareness programmes.

Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures (Cont'd)

(g) Risk management (Cont'd)

8) Shariah Governance (Cont'd)

Qualitative Disclosures - Key Components and Core Shariah Functions in Implementing and Monitoring the Shariah Governance Practices as per the SGPD (Cont'd)

f. Shariah Department

i) Shariah Review

To conduct regular assessment on the compliance of the operations, businesses, affairs and activities of HBMS with Shariah requirements.

To ensure that all procedural guidelines, rules and regulations issued by BNM and other regulatory bodies relating to Shariah as well as internal guidelines, policies and procedures, manuals and all Shariah rules and principles issued by the SC and Shariah Department are adhered to, with due regard to the business needs and Shariah requirements.

ii) Shariah Risk Stewardship

To implement the identification, measurement, monitoring and reporting of Shariah non-compliance risks in the operations, businesses, affairs and activities of HBMS, as well as to formulate and recommend appropriate Shariah compliance controls.

iii) Shariah Research and Advisory

To perform in-depth research as and when required by the SC on Shariah issues and to provide day-to-day Shariah advice and approval on Shariah matters based on the rulings of the SAC and decisions or advice of the SC to the relevant stakeholders, including the Management, product development and business teams as well as the supporting functions.

iv) Shariah Secretariat

To serve and provide operational support for effective functioning of the SC which includes to coordinate, communicate and disseminate information among the SC, the Board and senior management, and to ensure proper dissemination of decisions or advice of the SC within HBMS.

v) Product and Skills Development

To assist/provide operational support to the control functions within the Shariah Department in conducting research and development activities on feasible Shariah compliant structure and solution across all business lines within HBMS.

To assist/provide operational support to the control functions within the Shariah Department in monitoring and overseeing the Shariah knowledge and training within HBMS.

Quantitative Disclosure

a. Shariah Non-Compliance Events:

During the financial year ended 31 December 2025, four (4) actual Shariah non-compliance events have been identified.

b. Shariah Non-Compliance Income:

During the financial year ended 31 December 2025, the following amounts are recorded:

- i) RM2,954,432 income received from Shariah non-compliant activities have been transferred to the Shariah Penalty & Impure Income Account (the Account). The amount in the Account is reported net of income tax liabilities.
- ii) RM402,328 was donated from the Account for charitable purposes.

A total of RM641,334 Shariah non-compliance income for the financial year ended 31 December 2025 (31 December 2024: RM129,490) was refunded directly to the impacted customers.