

**HSBC BANK MALAYSIA BERHAD**  
**(Company No.198401015221 (127776-V))**  
**(Incorporated in Malaysia)**  
**Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures**  
**As at 30 June 2025**

**CHIEF EXECUTIVE OFFICER'S ATTESTATION**

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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 Interim Disclosures set out on pages 2 to 39 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  
22 July 2025

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

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The Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures at 30 June 2025 do not include all of the information required for full (Basel II) Pillar 3 Disclosures, and should be read in conjunction with the unaudited condensed interim financial statements of HSBC Bank Malaysia Berhad (the Bank) and its subsidiaries (collectively known as the Group) for the financial period ended 30 June 2025 as well as its audited financial statements for the year ended 31 December 2024 and the Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures at 31 December 2024.

The tables attached in the Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures provide an understanding of the quantitative changes relating to Pillar 3 Disclosures of the Group since the financial year ended 31 December 2024. There are no material changes relating to qualitative disclosures during the interim reporting period.

### **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.

Stress testing and scenario analysis form an integral part of Internal Capital Adequacy Assessment Process (ICAAP) to demonstrate that the Group's capital positions remains sufficient to sustain operations during an economic downturn.

### **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 Executive Committee (EXCO) and Risk Committee (RC) to the Board for approval.

### **Capital structure**

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

- Tier 1 capital <sup>[1]</sup> is divided into Common Equity Tier 1 (CET1) Capital and Additional Tier 1 (AT1) Capital. CET1 Capital includes ordinary share capital <sup>[2]</sup>, retained earnings, reserves and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes, while AT1 Capital includes qualifying preference shares.
- Tier 2 capital <sup>[1]</sup>, 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 36 of the unaudited condensed interim financial statements at 30 June 2025 for the total capital ratio and Tier 1 capital ratio, and risk weighted assets for credit risk, market risk and operational risk.

<sup>[1]</sup> Refer to Note 36 of the unaudited condensed interim financial statements as at 30 June 2025 for the amount and breakdown of capital components.

<sup>[2]</sup> Refer to Note 27 of the unaudited condensed interim financial statements as at 30 June 2025 for further details on ordinary share capital. All ordinary shares in issue confer identical rights in respect of capital, dividends and voting.

**Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (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 30 June 2025, the RWA risk absorbent for Syndicated Investment Account for Financing (SIAF)/ Investment Agency Account (IAA) in the Bank amounted to RM648m (31 December 2024: RM658m) with principal amount of RM1,799m (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.

**30 Jun 2025**

**Group**

**(RM'000)**

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
<b>Credit Risk (Standardised Approach)</b>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	41,688,865	41,688,865	2,287,179	182,975
PSEs	2,352,619	1,820,451	458,143	36,652
Banks, DFIs & MDBs	9,358,557	1,733,627	449,476	35,958
Corporates	20,978,516	20,558,849	18,634,241	1,490,739
Regulatory Retail	5,580,524	5,539,426	4,237,953	339,036
Residential Mortgages	13,871,958	13,871,958	5,175,185	414,014
Higher Risk Assets	9,754	9,596	14,392	1,151
Other Assets	1,806,240	1,806,240	1,591,982	127,358
Securitisation Exposure	300,709	300,709	225,532	18,043
Equity Exposure	257,761	257,761	257,761	20,621
Defaulted Exposures	714,591	712,999	828,680	66,294
<b>Total for On-Balance Sheet Exposures</b>	<b>96,920,094</b>	<b>88,300,481</b>	<b>34,160,524</b>	<b>2,732,841</b>
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	5,127,312	2,835,433	1,414,244	113,140
Off balance sheet exposures other than OTC derivatives or credit derivatives	19,152,332	18,638,316	13,665,645	1,093,252
Defaulted Exposures	11,627	11,627	16,146	1,292
<b>Total for Off-Balance Sheet Exposures</b>	<b>24,291,271</b>	<b>21,485,376</b>	<b>15,096,035</b>	<b>1,207,684</b>
<b>Total On and Off-Balance Sheet Exposures <sup>[1]</sup></b>	<b>121,211,365</b>	<b>109,785,857</b>	<b>49,256,559</b>	<b>3,940,525</b>
<b>Market Risk (Standardised Approach)</b>				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	48,207,559	48,925,671	(718,112)	1,329,490
Foreign Currency Risk	37,409	135,610	138,759	138,759
Equity Risk	-	-	-	1,131
Options Risk	-	-	-	547,185
	<b>48,244,968</b>	<b>49,061,281</b>	<b>(579,353)</b>	<b>2,016,565</b>
<b>Operational Risk (Standardised Approach)</b>	-	-	-	6,384,933
<b>Total RWA and Capital Requirement</b>	-	-	-	<b>57,658,057</b>
				<b>4,612,645</b>

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

**Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (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%
<b>Credit Risk (Standardised Approach)</b>				
<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 <sup>[1]</sup>	116,132,071	105,793,417	50,346,619	4,027,730
<b>Market Risk (Standardised Approach)</b>				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	61,124,024	60,484,511	639,513	2,156,652
Foreign Currency Risk	47,971	10,191	47,971	3,838
Equity Risk	-	-	-	1,198
Options Risk	-	-	-	86,814
	61,171,995	60,494,702	687,484	2,292,635
Operational Risk (Standardised Approach)	-	-	-	6,902,586
				552,206
Total RWA and Capital Requirement	-	-	-	59,541,840
				4,763,347

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

OTC - Over the counter

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

Refer to Note 36 of the unaudited condensed interim financial statements as at 30 June 2025 for disclosure on RWA breakdown by various risk categories.

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

**1) RWA and Capital Requirement (Cont'd)**

30 Jun 2025

*Bank*

(RM'000)

Exposure Class	Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
<b>Credit Risk (Standardised Approach)</b>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	32,854,598	32,854,598	1,988,091	159,047
PSEs	1,523,240	1,407,865	299,811	23,985
Banks, DFIs & MDBs	12,585,676	5,079,003	1,117,572	89,406
Corporates	14,436,143	14,099,303	12,507,729	1,000,618
Regulatory Retail	3,559,953	3,527,300	2,651,623	212,130
Residential Mortgages	10,218,158	10,218,158	3,791,779	303,342
Higher Risk Assets	7,120	7,120	10,679	854
Other Assets	1,643,530	1,643,530	1,531,330	122,506
Equity Exposure	257,761	257,761	257,761	20,621
Defaulted Exposures	459,236	458,050	529,351	42,348
<b>Total for On-Balance Sheet Exposures</b>	<b>77,545,415</b>	<b>69,552,688</b>	<b>24,685,726</b>	<b>1,974,857</b>
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	5,256,307	2,540,029	1,290,721	103,258
Off balance sheet exposures other than OTC derivatives or credit derivatives	15,469,256	15,060,425	11,152,752	892,220
Defaulted Exposures	6,103	6,103	8,038	643
<b>Total for Off-Balance Sheet Exposures</b>	<b>20,731,666</b>	<b>17,606,557</b>	<b>12,451,511</b>	<b>996,121</b>
<b>Total On and Off-Balance Sheet Exposures <sup>[1]</sup></b>	<b>98,277,081</b>	<b>87,159,245</b>	<b>37,137,237</b>	<b>2,970,978</b>
<b>Market Risk (Standardised Approach)</b>				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	46,513,421	45,459,606	1,053,815	1,255,764
Foreign Currency Risk	32,887	134,237	134,237	10,739
Equity Risk	-	-	-	1,131
Options Risk	-	-	-	547,185
	<b>46,546,308</b>	<b>45,593,843</b>	<b>1,188,052</b>	<b>1,938,317</b>
<b>Operational Risk (Standardised Approach)</b>	-	-	-	5,747,571
<b>Total RWA and Capital Requirement</b>	-	-	-	<b>44,823,125</b>
				<b>3,585,849</b>

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

**Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (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%
<b>Credit Risk (Standardised Approach)</b>				
<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 <sup>[1]</sup>	93,717,424	83,372,370	37,406,489	2,992,519
<b>Market Risk (Standardised Approach)</b>				
	<u>Long Position</u>	<u>Short Position</u>		
Interest/Profit Rate Risk	59,316,995	57,013,491	2,303,504	2,063,802
Foreign Currency Risk	45,922	9,311	45,922	45,922
Equity Risk	-	-	-	1,198
Options Risk	-	-	-	86,814
	59,362,917	57,022,802	2,349,426	2,197,736
Operational Risk (Standardised Approach)	-	-	-	6,023,418
Total RWA and Capital Requirement	-	-	-	45,627,643
				3,650,211

Note:

*MDBs - Multilateral Development Banks*

*DFIs - Development Financial Institutions*

*PSEs - Public Sector Entities*

*OTC - Over the counter*

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

Refer to Note 36 of the unaudited condensed interim financial statements as at 30 June 2025 for disclosure on RWA breakdown by various risk categories.

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

30 Jun 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%	30,253,160	-	-	-	120,428	29,712	-	-	214,260	-	-	30,617,560	-
20%	11,476,752	2,981,663	2,538,539	-	3,189,045	9,013	-	-	-	-	-	20,195,012	4,039,002
35%	-	-	-	-	-	-	15,055,154	-	-	-	-	15,055,154	5,269,304
50%	-	217,296	1,704,028	-	944,130	6,564	930,780	-	-	-	-	3,802,798	1,901,399
75%	-	-	-	-	-	8,119,632	393,725	-	-	300,709	-	8,814,066	6,610,550
100%	-	421,644	71,762	677	27,568,992	480,185	638,192	-	1,591,982	-	257,761	31,031,195	31,031,195
150%	-	-	-	-	2,982	170,574	84,184	12,332	-	-	-	270,072	405,109
Total												109,785,857	49,256,559
Average Risk Weight	6%	31%	33%	100%	90%	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 Interim Disclosures (Cont'd)

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

30 Jun 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%	22,914,331	-	-	-	70,745	18,813	-	-	112,201	-	-	23,116,090	-
20%	9,981,314	2,243,104	5,971,347	-	2,538,408	9,013	-	-	-	-	-	20,743,186	4,148,637
35%	-	-	-	-	-	-	11,372,808	-	-	-	-	11,372,808	3,980,483
50%	-	136,580	1,569,129	-	678,017	380	596,854	-	-	-	-	2,980,960	1,490,480
75%	-	-	-	-	-	5,749,620	291,836	-	-	-	-	6,041,456	4,531,092
100%	-	282,782	71,762	677	20,046,810	109,577	440,447	-	1,531,330	-	257,761	22,741,146	22,741,146
150%	-	-	-	-	2,883	85,152	67,161	8,403	-	-	-	163,599	245,399
Total												87,159,245	37,137,237
Average Risk Weight	6%	30%	27%	100%	90%	76%	39%	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 Interim Disclosures (Cont'd)**

**3) Credit Risk**

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

		30 Jun 2025				
Group (RM'000)		Northern	Southern	Central	Eastern	Total
Overdrafts/Cash line-i		84,609	67,386	492,263	21,527	665,785
Term loans/financing						
Housing loans/financing		2,337,916	1,701,616	9,125,310	591,101	13,755,943
Syndicated term loan/financing		100,743	-	1,476,667	-	1,577,410
Factoring receivables		252,685	252,165	1,294,689	1,532	1,801,071
Hire purchase receivables		26,454	66,166	23,319	11,756	127,695
Other term loans/financing		761,107	895,611	5,590,557	216,715	7,463,990
Bills receivables		782,692	1,429,353	1,888,489	8,159	4,108,693
Trust receipts		414,577	754,931	1,661,613	9,062	2,840,183
Staff loans/financing		3,244	2,112	31,342	966	37,664
Credit/charge cards		732,968	626,155	2,666,697	270,741	4,296,561
Revolving financing		522,107	376,512	5,231,624	1,006	6,131,249
Other loans/financing		2,056	1,287	5,177	330	8,850
		6,021,158	6,173,294	29,487,747	1,132,895	42,815,094

		31 Dec 2024				
Group (RM'000)		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 Interim Disclosures (Cont'd)**

**3) Credit Risk (Cont'd)**

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

		30 Jun 2025				
Bank (RM'000)		Northern	Southern	Central	Eastern	Total
Overdrafts		62,624	46,333	456,695	21,527	587,179
Term loans/financing						
Housing loans/financing		1,903,640	1,328,814	6,321,669	505,293	10,059,416
Syndicated term loan/financing		75,500	-	735,182	-	810,682
Factoring receivables		252,685	252,165	1,294,689	1,532	1,801,071
Other term loans/financing		520,317	485,846	2,599,665	123,533	3,729,361
Bills receivables		651,556	1,136,631	1,538,632	8,159	3,334,978
Trust receipts		346,573	726,473	986,904	9,062	2,069,012
Staff loans/financing		3,001	2,112	30,715	966	36,794
Credit/charge cards		518,626	417,837	1,920,430	222,415	3,079,308
Revolving financing		376,001	154,203	3,957,260	1,006	4,488,470
Other loans/financing		1,681	977	3,141	277	6,076
		4,712,204	4,551,391	19,844,982	893,770	30,002,347

		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 Interim Disclosures (Cont'd)**

**3) Credit Risk (Cont'd)**

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

		30 Jun 2025				
Group (RM'000)		Northern	Southern	Central	Eastern	Total
Overdrafts/Cash line-i		6,950	667	4,163	1,053	12,833
Term loans/financing						
Housing loans/financing		100,451	83,591	407,511	21,736	613,289
Factoring receivables		-	-	1,044	-	1,044
Other term loans/financing		20,329	41,953	135,212	5,558	203,052
Bills receivables		-	-	5,637	-	5,637
Trust receipts		2,018	1,081	49,089	-	52,188
Staff loans/financing		-	-	570	-	570
Credit/charge cards		3,777	2,997	10,947	1,767	19,488
Revolving financing		-	15,632	55,699	-	71,331
Other loans/financing		1,735	1,004	4,182	247	7,168
		135,260	146,925	674,054	30,361	986,600

		31 Dec 2024				
Group (RM'000)		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 Interim Disclosures (Cont'd)**

**3) Credit Risk (Cont'd)**

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

		30 Jun 2025				
Bank (RM'000)		Northern	Southern	Central	Eastern	Total
Overdrafts		2,466	667	3,082	1,053	7,268
Term loans/financing						
Housing loans/financing		82,670	62,573	260,998	19,708	425,949
Factoring receivables		-	-	1,044	-	1,044
Other term loans/financing		15,894	39,192	70,975	5,209	131,270
Bills receivables		-	-	2,729	-	2,729
Trust receipts		2,018	1,081	48,847	-	51,946
Staff loans/financing		-	-	570	-	570
Credit/charge cards		2,338	1,784	7,363	1,271	12,756
Revolving financing		-	15,632	1,990	-	17,622
Other loans/financing		1,461	775	2,531	199	4,966
		106,847	121,704	400,129	27,440	656,120

  

		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 Interim Disclosures (Cont'd)**

**3) Credit Risk (Cont'd)**

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

30 Jun 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	665,785	-	-	-	665,785
Term loans/financing					
Housing loans/financing	72,546	61,442	142,400	13,479,555	13,755,943
Syndicated term loan/financing	737,212	150,597	566,896	122,705	1,577,410
Factoring receivables	1,468,342	77,839	254,890	-	1,801,071
Hire purchase receivables	7,950	71,170	48,575	-	127,695
Other term loans/financing	925,928	2,021,188	2,083,726	2,433,148	7,463,990
Bills receivables	4,094,533	14,160	-	-	4,108,693
Trust receipts	2,830,426	-	9,757	-	2,840,183
Staff loans/financing	542	3,760	10,184	23,178	37,664
Credit/charge cards	4,296,561	-	-	-	4,296,561
Revolving financing	6,131,249	-	-	-	6,131,249
Other loans/financing	8,850	-	-	-	8,850
	21,239,924	2,400,156	3,116,428	16,058,586	42,815,094

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 Interim Disclosures (Cont'd)**

**3) Credit Risk (Cont'd)**

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

30 Jun 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	587,179	-	-	-	587,179
Term loans/financing					
Housing loans/financing	50,529	51,969	122,545	9,834,373	10,059,416
Syndicated term loan/financing	160,020	76,384	557,266	17,012	810,682
Factoring receivables	1,468,342	77,839	254,890	-	1,801,071
Other term loans/financing	542,424	980,399	954,837	1,251,701	3,729,361
Bills receivables	3,334,373	605	-	-	3,334,978
Trust receipts	2,069,012	-	-	-	2,069,012
Staff loans/financing	542	3,709	9,696	22,847	36,794
Credit/charge cards	3,079,308	-	-	-	3,079,308
Revolving financing	4,488,470	-	-	-	4,488,470
Other loans/financing	6,076	-	-	-	6,076
	15,786,275	1,190,905	1,899,234	11,125,933	30,002,347

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 Interim Disclosures (Cont'd)**

**3) Credit Risk (Cont'd)**

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

30 Jun 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	18,716	-	-	-	983	11,931	23,299	-	-	677	-	50	55,656
Mining and quarrying	7,633	-	76,385	-	-	8,586	21,400	-	-	149	254,111	-	368,264
Manufacturing	149,180	-	159,341	524,584	59,509	1,479,454	2,793,692	1,723,588	-	53,582	1,070,935	112	8,013,977
Electricity, gas and water	887	-	-	-	-	179,343	6,353	441	-	136	285,760	-	472,920
Construction	77,225	-	627,551	2,000	260	373,659	176,407	67,946	-	1,777	777,258	58	2,104,141
Real estate	2,329	-	510,063	-	-	910,755	36,082	1,345	-	279	428,111	31	1,888,995
Wholesale & retail trade and restaurants & hotels	173,760	-	37,642	342,570	8,764	750,827	707,143	878,146	-	8,746	662,488	53	3,570,139
Transport, storage and communication	6,698	-	-	361,628	29,331	299,344	80,496	12,191	-	1,068	243,699	38	1,034,493
Finance, insurance/takaful and business services	124,591	-	60,735	24,285	100	959,353	44,767	18,722	-	21,632	1,781,275	1	3,035,461
Household-retail	92,172	13,755,943	-	-	-	1,667,042	8	-	-	37,664	4,205,931	-	19,767,267
Others	12,594	-	105,693	546,004	28,748	823,696	219,046	137,804	-	2,584	627,612	-	2,503,781
	665,785	13,755,943	1,577,410	1,801,071	127,695	7,463,990	4,108,693	2,840,183	-	37,664	4,296,561	8,850	42,815,094

  

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	-	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	9,351	46,098,877

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

**3) Credit Risk (Cont'd)**

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

30 Jun 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	18,716	-	-	-	11,931	23,299	-	-	677	-	50	54,673
Mining and quarrying	6,514	-	76,385	-	8,583	2,396	-	-	149	147,341	-	241,368
Manufacturing	129,362	-	75,500	524,584	998,931	2,306,623	1,627,457	-	53,582	948,642	112	6,664,793
Electricity, gas and water	887	-	-	-	40,491	6,353	441	-	136	200,111	-	248,419
Construction	53,808	-	400,400	2,000	163,488	79,656	66,404	-	1,777	511,318	52	1,278,903
Real estate	2,329	-	160,020	-	80,659	36,082	1,345	-	279	305,289	31	586,034
Wholesale & retail trade and restaurants & hotels	166,900	-	37,642	342,570	624,560	577,296	326,047	-	8,746	587,138	53	2,670,952
Transport, storage and communication	5,775	-	-	361,628	175,765	67,760	4,266	-	1,068	158,680	-	774,942
Finance, insurance/takaful and business services	109,953	-	60,735	24,285	622,703	43,620	18,722	-	21,632	1,425,893	1	2,327,544
Household-retail	92,165	10,059,416	-	-	768,233	-	-	36,794	2,988,678	-	5,777	13,951,063
Others	770	-	-	546,004	234,017	191,893	24,330	-	2,584	204,058	-	1,203,656
	587,179	10,059,416	810,682	1,801,071	3,729,361	3,334,978	2,069,012	-	36,794	3,079,308	4,488,470	30,002,347

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	6,649	31,721,109



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

**3) Credit Risk (Cont'd)**

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

30 Jun 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	975	-	-	2,272	-	-	-	-	49	3,296
Manufacturing	1,935	-	-	725	-	3,099	-	-	76	5,835
Electricity, gas and water	887	-	-	-	2,729	406	-	53,709	-	57,731
Construction	3,454	-	-	6,456	-	47,405	-	1,990	57	59,362
Real estate	-	-	-	30,366	-	-	-	15,632	31	46,029
Wholesale & retail trade and restaurants & hotels	1	-	1,044	11,910	2,094	647	-	-	53	15,749
Transport, storage and communication	5	-	-	414	814	-	-	-	38	1,271
Finance, insurance/takaful and business services	4,614	-	-	985	-	631	-	-	1	6,231
Household-retail	962	613,289	-	149,924	-	-	570	19,488	6,863	791,096
	12,833	613,289	1,044	203,052	5,637	52,188	570	71,331	7,168	986,600

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	74,918	7,852	1,430,940

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

**3) Credit Risk (Cont'd)**

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

30 Jun 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	975	-	-	2,272	-	-	-	-	49	3,296
Manufacturing	1,935	-	-	725	-	3,099	-	-	76	5,835
Electricity, gas and water	887	-	-	-	2,729	406	-	-	-	4,022
Construction	2,503	-	-	6,193	-	47,405	-	1,990	53	58,144
Real estate	-	-	-	30,366	-	-	-	15,632	31	46,029
Wholesale & retail trade and restaurants & hotels	1	-	1,044	8,193	-	405	-	-	53	9,696
Transport, storage and communication	5	-	-	-	-	-	-	-	-	5
Finance, insurance/takaful and business services	-	-	-	386	-	631	-	-	1	1,018
Household-retail	962	425,949	-	83,135	-	-	570	12,756	4,703	528,075
	7,268	425,949	1,044	131,270	2,729	51,946	570	12,756	17,622	656,120

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 Interim Disclosures (Cont'd)**

**3) Credit Risk (Cont'd)**

**Table 6: All past due loans/financing and advances breakdown by sector <sup>[1]</sup>**

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Agricultural, hunting, forestry and fishing	3,295	3,468	3,295	3,467
Mining and quarrying	473	-	473	-
Manufacturing	20,687	18,911	12,845	11,943
Electricity, gas and water	56,943	64,429	3,234	7,875
Construction	62,269	63,398	58,986	59,015
Real estate	47,298	58,599	46,156	58,346
Wholesale & retail trade and restaurants & hotels	21,501	19,640	18,961	16,558
Transport, storage and communication	38,763	2,121	38,725	228
Finance, insurance/takaful and business services	7,542	8,693	2,047	8,266
Household-retail	1,658,304	1,725,631	1,148,302	1,189,647
Others	365	833	365	316
	<b>1,917,440</b>	<b>1,965,723</b>	<b>1,333,389</b>	<b>1,355,661</b>

**Table 7: All past due loans/financing and advances breakdown by geographical location <sup>[1]</sup>**

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Northern region	316,825	302,691	252,889	245,083
Southern region	291,890	313,791	221,226	238,815
Central region	1,226,059	1,269,419	792,808	805,074
Eastern region	82,666	79,822	66,466	66,689
	<b>1,917,440</b>	<b>1,965,723</b>	<b>1,333,389</b>	<b>1,355,661</b>

**Table 8: Impairment allowance breakdown by sector**

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Agricultural, hunting, forestry and fishing	553	552	547	520
Mining and quarrying	252	160	192	121
Manufacturing	10,977	12,552	6,167	6,070
Electricity, gas and water	59,472	62,592	5,593	5,603
Construction	49,256	49,579	46,206	45,890
Real estate	21,890	27,898	20,398	26,165
Wholesale & retail trade and restaurants & hotels	11,520	11,552	5,910	6,575
Transport, storage and communication	1,731	3,632	553	1,205
Finance, insurance/takaful and business services	3,265	7,619	1,244	7,163
Household-retail	361,944	383,324	180,118	195,058
Others	1,561	1,899	412	714
	<b>522,421</b>	<b>561,359</b>	<b>267,340</b>	<b>295,084</b>

**Table 9: Impairment allowance breakdown by geographical location**

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Northern region	57,933	58,477	34,049	36,370
Southern region	76,020	82,674	49,675	54,562
Central region	373,230	403,509	174,471	194,217
Eastern region	15,238	16,699	9,145	9,935
	<b>522,421</b>	<b>561,359</b>	<b>267,340</b>	<b>295,084</b>

<sup>[1]</sup> of which the portion of impaired loans breakdown by sector and geographical location is disclosed in Note 18 (ii) and 18 (iv) of the unaudited condensed interim financial statements at 30 June 2025 respectively.

The breakdown of loan/financing impairment allowance during the year is disclosed in Note 19 (i) of the unaudited condensed interim financial statements as at 30 June 2025.

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

**3) Credit Risk (Cont'd)**

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

<b>(Releases) / Charges</b>	<b>Group (RM'000)</b>		<b>Bank (RM'000)</b>	
	<b>30 Jun 2025</b>	<b>30 Jun 2024</b>	<b>30 Jun 2025</b>	<b>30 Jun 2024</b>
Agricultural, hunting, forestry and fishing	<b>1</b>	(147)	<b>27</b>	(134)
Mining and quarrying	<b>103</b>	(341)	<b>80</b>	(301)
Manufacturing	<b>(1,450)</b>	(1,538)	<b>223</b>	117
Electricity, gas and water	<b>157</b>	4,084	<b>(10)</b>	4,204
Construction	<b>(2,954)</b>	(499)	<b>(2,316)</b>	(1,451)
Real estate	<b>(6,008)</b>	(17,710)	<b>(5,767)</b>	(16,976)
Wholesale & retail trade and restaurants & hotels	<b>19</b>	(908)	<b>(615)</b>	(1,097)
Transport, storage and communication	<b>(1,897)</b>	(440)	<b>(652)</b>	(77)
Finance, insurance/takaful and business services	<b>(8)</b>	(948)	<b>(131)</b>	(333)
Household-retail	<b>24,682</b>	(3,674)	<b>13,097</b>	5,671
Others	<b>(312)</b>	(489)	<b>(284)</b>	(29)
	<b>12,333</b>	(22,610)	<b>3,652</b>	(10,406)

The breakdown of loan/financing net impairment allowance during the year is disclosed in Note 33 (i) of the unaudited condensed interim financial statements as at 30 June 2025.

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

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### **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
- Multilateral development banks
- Public sector entities
- Corporates
- Banks

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 Interim Disclosures (Cont'd)**

**3) Credit Risk (Cont'd)**

**i) ECAs (Cont'd)**

Below are the summary tables of long and short term ratings governing the high level assignment of risk weights under the standardised approach:

Long Term Rating Category		1	2	3	4	5	6	7
Rating Agency	<b>S &amp; P</b>	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ and below	Unrated
	<b>Moody's</b>	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	B1 to B3	Caa1 and below	Unrated
	<b>Fitch</b>	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ and below	Unrated
	<b>RAM</b>	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to BB3	B1 to B3	C1 and below	Unrated
	<b>MARC</b>	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	C+ and below	Unrated

Short Term Rating Category		1	2	3	4	5
Rating Agency	<b>S &amp; P</b>	A-1	A-2	A-3	Others	Unrated
	<b>Moody's</b>	P-1	P-2	P-3	Others	Unrated
	<b>Fitch</b>	F1+,F1	F2	F3	B to D	Unrated
	<b>RAM</b>	P-1	P-2	P-3	NP	Unrated
	<b>MARC</b>	MARC-1	MARC-2	MARC-3	MARC-4	Unrated

Risk Weights Based on Credit Rating of the Counterparty Exposure Class						
Rating Category	Long Term Rating					Short Term Rating
	Sovereigns and Central Banks	Corporates	Banking Institutions			
			Risk weight (original maturity greater than 6 months)	Risk weight (original maturity of 6 months or less)	Risk weight (original maturity of 3 months or less)	
1	0%	20%	20%	20%	20%	20%
2	20%	50%	50%	20%	20%	50%
3	50%	100%	50%	20%	20%	100%
4	100%	100%	100%	50%	20%	150%
5	100%	150%	100%	50%	20%	N/A
6	150%	150%	150%	150%	20%	N/A
7	100%	100%	50%	20%	20%	N/A

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

**30 Jun 2025**

**Group (RM '000)**

Exposure Class	Long Term Rating Category							Total
	1	2	3	4	5	6	7	
<b><u>On and Off Balance Sheet Exposures</u></b>								
<b>(i) Total rated exposures</b>								
<b>Sovereigns &amp; Central Banks</b>								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	29,855,021	11,476,752	-	-	-	-		41,331,773
<b>PSEs</b>								
- Exposures risk-weighted using ratings of Corporates	708,742	156,044	453,633	-	-	-		1,318,419
<b>Banks, DFIs &amp; MDBs</b>								
- Exposures risk-weighted using ratings of Banking Institutions	3,361,737	1,415,915	5,197,916	-	-	-		9,975,568
<b>Corporates</b>								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	31,334	-	-	-	-	-		31,334
- Exposures risk-weighted using ratings of Banking Institutions	-	453	-	-	-	-		453
- Exposures risk-weighted using ratings of Corporates	3,176,844	797,603	5,308	-	-	-		3,979,755
	37,133,678	13,846,767	5,656,857	-	-	-	-	56,637,302
<b>(ii) Total unrated exposures</b>							61,453,850	61,453,850
<b>Total Long Term Exposure</b>	<b>37,133,678</b>	<b>13,846,767</b>	<b>5,656,857</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,453,850</b>	<b>118,091,152</b>

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

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

30 Jun 2025

Group (RM '000)

Exposure Class	Short Term Rating Category					
	1	2	3	4	5	Total
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b>(i) Total rated exposures</b>						
<b>Sovereigns &amp; Central Banks</b>						
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	-	398,140	-	-		398,140
<b>PSEs</b>						
- Exposures risk-weighted using ratings of Corporates	17,035	-	-	-		17,035
<b>Banks, DFIs &amp; MDBs</b>						
- Exposures risk-weighted using ratings of Banking Institutions	428,429	1,545,592	48,535	-		2,022,556
<b>Corporates</b>						
- Exposures risk-weighted using ratings of Corporates	682,482	-	-	-		682,482
	1,127,946	1,943,732	48,535	-	-	3,120,213
<b>(ii) Total unrated exposures</b>						
					-	-
<b>Total Short Term Exposure</b>						
	1,127,946	1,943,732	48,535	-	-	3,120,213
<b>Group Total Long Term and Short Term Exposure :</b>						
						121,211,365



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

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

31 Dec 2024  
Group (RM '000)

Exposure Class	Long Term Rating Category							Total
	1	2	3	4	5	6	7	
<b><u>On and Off Balance Sheet Exposures</u></b>								
<b>(i) Total rated exposures</b>								
<b>Sovereigns &amp; Central Banks</b>								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	26,634,101	8,185,455	-	-	-	-		34,819,556
<b>PSEs</b>								
- Exposures risk-weighted using ratings of Corporates	720,704	156,349	176,386	-	-	-		1,053,439
<b>Banks, DFIs &amp; MDBs</b>								
- Exposures risk-weighted using ratings of Banking Institutions	2,653,781	2,816,303	3,847,916	-	-	-		9,318,000
<b>Corporates</b>								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	30,813	-	-	-	-	-		30,813
- Exposures risk-weighted using ratings of Banking Institutions	-	147	-	-	-	-		147
- Exposures risk-weighted using ratings of Corporates	3,419,709	604,835	448,900	-	-	-		4,473,444
	33,459,108	11,763,089	4,473,202	-	-	-	-	49,695,399
<b>(ii) Total unrated exposures</b>							61,677,577	61,677,577
<b>Total Long Term Exposure</b>	33,459,108	11,763,089	4,473,202	-	-	-	61,677,577	111,372,976

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

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

31 Dec 2024  
Group (RM '000)

Exposure Class	Short Term Rating Category					
	1	2	3	4	5	Total
<b><u>On and Off Balance Sheet Exposures</u></b>						
<b>(i) Total rated exposures</b>						
<b>Sovereigns &amp; Central Banks</b>						
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	-	591,171	-	-		591,171
<b>PSEs</b>						
- Exposures risk-weighted using ratings of Corporates	28,171	-	-	-		28,171
<b>Banks, DFIs &amp; MDBs</b>						
- Exposures risk-weighted using ratings of Banking Institutions	809,180	2,234,678	14,700	2,126		3,060,684
<b>Corporates</b>						
- Exposures risk-weighted using ratings of Corporates	1,073,416	5,653	-	-		1,079,069
	1,910,767	2,831,502	14,700	2,126	-	4,759,095
<b>(ii) Total unrated exposures</b>					-	-
<b>Total Short Term Exposure</b>	1,910,767	2,831,502	14,700	2,126	-	4,759,095
<b>Group Total Long Term and Short Term Exposure :</b>						
						116,132,071

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

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

3) Credit Risk (Cont'd)

i) ECAs (Cont'd)

30 Jun 2025

Bank (RM '000)

Exposure Class	Long Term Rating Category							Total
	1	2	3	4	5	6	7	
<b><u>On and Off Balance Sheet Exposures</u></b>								
<b>(i) Total rated exposures</b>								
<b>Sovereigns &amp; Central Banks</b>								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	22,914,331	9,981,314	-	-	-	-		32,895,645
<b>PSEs</b>								
- Exposures risk-weighted using ratings of Corporates	228,029	156,044	177,151	-	-	-		561,224
<b>Banks, DFIs &amp; MDBs</b>								
- Exposures risk-weighted using ratings of Banking Institutions	2,816,861	2,398,602	5,197,916	-	-	-		10,413,379
<b>Corporates</b>								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	18,100	-	-	-	-	-		18,100
- Exposures risk-weighted using ratings of Banking Institutions	-	453	-	-	-	-		453
- Exposures risk-weighted using ratings of Corporates	2,525,733	455,054	5,308	-	-	-		2,986,095
	28,503,054	12,991,467	5,380,375	-	-	-	-	46,874,896
<b>(ii) Total unrated exposures</b>							45,352,602	45,352,602
<b>Total Long Term Exposure</b>	28,503,054	12,991,467	5,380,375	-	-	-	45,352,602	92,227,498

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

3) Credit Risk (Cont'd)

i) ECAs (Cont'd)

30 Jun 2025

Bank (RM '000)

Exposure Class	Short Term Rating Category					
	1	2	3	4	5	Total
<b>On and Off Balance Sheet Exposures</b>						
<b>(i) Total rated exposures</b>						
<b>PSEs</b>						
- Exposures risk-weighted using ratings of Corporates	14	-	-	-		14
<b>Banks, DFIs &amp; MDBs</b>						
- Exposures risk-weighted using ratings of Banking Institutions	3,793,113	1,545,592	48,535	-		5,387,240
<b>Corporates</b>						
- Exposures risk-weighted using ratings of Corporates	662,329	-	-	-		662,329
	4,455,456	1,545,592	48,535	-	-	6,049,583
<b>(ii) Total unrated exposures</b>						
					-	-
<b>Total Short Term Exposure</b>	<b>4,455,456</b>	<b>1,545,592</b>	<b>48,535</b>	<b>-</b>	<b>-</b>	<b>6,049,583</b>
<b>Bank Total Long Term and Short Term Exposure :</b>						<b>98,277,081</b>

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

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

31 Dec 2024  
 Bank (RM '000)

Exposure Class	Long Term Rating Category							Total
	1	2	3	4	5	6	7	
<b><u>On and Off Balance Sheet Exposures</u></b>								
<b>(i) Total rated exposures</b>								
<b>Sovereigns &amp; Central Banks</b>								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	21,880,515	6,933,995	-	-	-	-		28,814,510
<b>PSEs</b>								
- Exposures risk-weighted using ratings of Corporates	250,314	156,349	176,386	-	-	-		583,049
<b>Banks, DFIs &amp; MDBs</b>								
- Exposures risk-weighted using ratings of Banking Institutions	2,531,004	2,727,063	3,847,916	-	-	-		9,105,983
<b>Corporates</b>								
- Exposures risk-weighted using ratings of Sovereigns and Central Banks	15,922	-	-	-	-	-		15,922
- Exposures risk-weighted using ratings of Banking Institutions	-	147	-	-	-	-		147
- Exposures risk-weighted using ratings of Corporates	2,754,841	341,876	448,900	-	-	-		3,545,617
	27,432,596	10,159,430	4,473,202	-	-	-	-	42,065,228
<b>(ii) Total unrated exposures</b>							45,395,555	45,395,555
<b>Total Long Term Exposure</b>	27,432,596	10,159,430	4,473,202	-	-	-	45,395,555	87,460,783

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

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

31 Dec 2024  
Bank (RM '000)

Exposure Class	Short Term Rating Category					
	1	2	3	4	5	Total
<b>On and Off Balance Sheet Exposures</b>						
<b>(i) Total rated exposures</b>						
<b>PSEs</b>						
- Exposures risk-weighted using ratings of Corporates	14	-	-	-		14
<b>Banks, DFIs &amp; MDBs</b>						
- Exposures risk-weighted using ratings of Banking Institutions	3,345,960	2,233,024	14,588	2,126		5,595,698
<b>Corporates</b>						
- Exposures risk-weighted using ratings of Corporates	655,276	5,653	-	-		660,929
	4,001,250	2,238,677	14,588	2,126	-	6,256,641
<b>(ii) Total unrated exposures</b>						
					-	-
<b>Total Short Term Exposure</b>	4,001,250	2,238,677	14,588	2,126	-	6,256,641
<b>Bank Total Long Term and Short Term Exposure :</b>						93,717,424

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

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

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### 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 Interim Disclosures (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.

**30 Jun 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
<b><u>Credit Risk</u></b>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	41,688,865	-	-	-
PSEs	2,352,619	-	532,168	-
Banks, DFIs & MDBs	9,358,557	-	7,624,930	-
Corporates	20,978,516	1,163,815	419,667	-
Regulatory Retail	5,580,524	33,027	41,098	-
Residential Mortgages	13,871,958	-	-	-
Higher Risk Assets	9,754	-	158	-
Other Assets	1,806,240	-	-	-
Securitisation Exposures	300,709	-	-	-
Equity Exposure	257,761	-	-	-
Defaulted Exposures	714,591	1,704	1,592	-
<b>Total for On-Balance Sheet Exposures</b>	<b>96,920,094</b>	<b>1,198,546</b>	<b>8,619,613</b>	<b>-</b>
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	5,127,312	-	680,972	1,610,907
Off balance sheet exposures other than OTC derivatives or credit derivatives	19,152,332	375,844	514,016	-
Defaulted Exposures	11,627	-	-	-
<b>Total for Off-Balance Sheet Exposures</b>	<b>24,291,271</b>	<b>375,844</b>	<b>1,194,988</b>	<b>1,610,907</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>121,211,365</b>	<b>1,574,390</b>	<b>9,814,601</b>	<b>1,610,907</b>



**Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (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
<b><u>Credit Risk</u></b>				
<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	-
<b>Total for On-Balance Sheet Exposures</b>	<b>93,420,724</b>	<b>1,207,874</b>	<b>8,168,228</b>	<b>-</b>
<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	-	-	-
<b>Total for Off-Balance Sheet Exposures</b>	<b>22,711,347</b>	<b>371,931</b>	<b>677,493</b>	<b>1,492,933</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>116,132,071</b>	<b>1,579,805</b>	<b>8,845,721</b>	<b>1,492,933</b>

**Note:**

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

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

**30 Jun 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
<b><u>Credit Risk</u></b>				
<i>On-Balance Sheet Exposures</i>				
Sovereigns/Central Banks	32,854,598	-	-	-
PSEs	1,523,240	-	115,375	-
Banks, DFIs & MDBs	12,585,676	-	7,506,673	-
Corporates	14,436,143	872,242	336,840	-
Regulatory Retail	3,559,953	23,522	32,653	-
Residential Mortgages	10,218,158	-	-	-
Higher Risk Assets	7,120	-	-	-
Other Assets	1,643,530	-	-	-
Equity Exposure	257,761	-	-	-
Defaulted Exposures	459,236	1,004	1,186	-
<b>Total for On-Balance Sheet Exposures</b>	<b>77,545,415</b>	<b>896,768</b>	<b>7,992,727</b>	<b>-</b>
<i>Off-Balance Sheet Exposures</i>				
OTC Derivatives	5,256,307	-	1,105,371	1,610,907
Off balance sheet exposures other than OTC derivatives or credit derivatives	15,469,256	332,962	408,831	-
Defaulted Exposures	6,103	-	-	-
<b>Total for Off-Balance Sheet Exposures</b>	<b>20,731,666</b>	<b>332,962</b>	<b>1,514,202</b>	<b>1,610,907</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>98,277,081</b>	<b>1,229,730</b>	<b>9,506,929</b>	<b>1,610,907</b>

**Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures (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
<b><u>Credit Risk</u></b>				
<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	-
<b>Total for On-Balance Sheet Exposures</b>	<b>74,572,815</b>	<b>905,697</b>	<b>8,089,236</b>	<b>-</b>
<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	-	-	-
<b>Total for Off-Balance Sheet Exposures</b>	<b>19,144,609</b>	<b>314,431</b>	<b>762,885</b>	<b>1,492,933</b>
<b>Total On and Off-Balance Sheet Exposures</b>	<b>93,717,424</b>	<b>1,220,128</b>	<b>8,852,121</b>	<b>1,492,933</b>

**Note:**

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

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

**4) 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)			
	30 Jun 2025		31 Dec 2024	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	216,716	(168,556)	192,203	(197,252)
USD	65,653	(65,943)	54,933	(55,126)
Others	27,655	(28,056)	27,277	(23,874)
	310,024	(262,555)	274,413	(276,252)

	Bank (RM'000)			
	30 Jun 2025		31 Dec 2024	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	153,195	(123,610)	146,537	(150,392)
USD	59,562	(59,841)	49,479	(49,677)
Others	25,625	(26,022)	25,861	(22,463)
	238,382	(209,473)	221,877	(222,532)

**Sensitivity of projected Economic value of equity**

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 economic value of equity arising from a shift in interest/profit rates of:**

	Group (RM'000)			
	30 Jun 2025		31 Dec 2024	
Basis point parallel shift in yield curves	+ 200 bps	- 200 bps	+ 200 bps	- 200 bps
MYR	(251,009)	294,532	(270,170)	316,894
USD	(7,799)	9,286	(47,133)	52,416
Others	9,132	(9,196)	9,648	(9,421)
	(249,676)	294,622	(307,655)	359,889

	Bank (RM'000)			
	30 Jun 2025		31 Dec 2024	
Basis point parallel shift in yield curves	+ 200 bps	- 200 bps	+ 200 bps	- 200 bps
MYR	(186,277)	218,513	(183,023)	215,700
USD	(11,533)	12,964	(48,442)	53,475
Others	7,312	(7,450)	8,051	(8,020)
	(190,498)	224,027	(223,414)	261,155

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

### 4) 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)			
	30 Jun 2025		31 Dec 2024	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	(225,312)	225,312	(232,280)	232,280
USD	(17,223)	17,223	(33,696)	33,696
	(242,535)	242,535	(265,976)	265,976

	Bank (RM'000)			
	30 Jun 2025		31 Dec 2024	
Basis point parallel shift in yield curves	+ 100 bps	- 100 bps	+ 100 bps	- 100 bps
MYR	(206,578)	206,578	(203,641)	203,641
USD	(17,223)	17,223	(33,696)	33,696
	(223,801)	223,801	(237,337)	237,337

### 5) Equities

As at 30 June 2025, the Group does not hold any quoted shares. The Group's holding of unquoted shares at 30 June 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 15 of the unaudited condensed interim financial statements as at 30 June 2025 on the Group's holdings of equity investments.

### 6) Liquidity

The Group monitors and reports Liquidity Coverage Ratio (LCR) based on the Bank Negara Malaysia (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 30 June 2025, the Group has maintained sound liquidity levels above regulatory requirements.

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
LCR%	258	247	265	258

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

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### **7) 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 Interim Disclosures (Cont'd)**

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**7) 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 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 Shariah Department in monitoring and overseeing the Shariah knowledge and training within HBMS.

**Quantitative Disclosure**

**a. Shariah Non-Compliance Events:**

During the financial period ended 30 June 2025, no actual Shariah non-compliance event has been identified.

**b. Shariah Non-Compliance Income:**

During the financial period ended 30 June 2025, the following amounts are recorded in the Shariah Penalty & Impure Income Account (the Account):

- i) RM242,934 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 RM129,490 Shariah non-compliance income for the financial year ended 31 December 2024 was refunded directly to the impacted customers.