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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
30 JUNE 2026

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

UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2026

		Group		*Bank*	
		30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
Assets	***Note***	**RM'000**	RM'000	**RM'000**	RM'000
Cash and short-term funds	*12*	**13,056,700**	15,593,217	**9,686,100**	9,895,207
Securities purchased under resale agreements	*13*	**12,222,624**	12,136,550	**11,764,647**	11,852,303
Deposits and placements with banks and other financial institutions	*14*	**130,313**	12,574	**1,316,610**	2,827,747
Financial assets at fair value through profit and loss (FVTPL)	*15*	**4,587,447**	4,311,063	**4,587,447**	4,311,063
Financial investments at fair value through other comprehensive income (FVOCI)	*16*	**13,694,847**	15,923,754	**12,102,704**	14,303,106
Financial investments at amortised cost	*17*	**13,136,548**	12,329,929	**10,754,948**	9,950,241
Loans, advances and financing	*18*	**43,755,034**	42,761,003	**31,474,818**	29,967,189
Derivative financial assets	*39*	**2,038,439**	1,858,630	**2,105,841**	1,900,914
Other assets	*21*	**4,230,871**	1,339,718	**4,393,010**	1,585,538
Statutory deposits with Bank Negara Malaysia	*22*	**212,916**	270,637	**96,026**	145,526
Investments in subsidiary companies	*23*	**–**	–	**1,656,084**	1,656,084
Property and equipment		**980,061**	989,143	**976,053**	984,307
Tax recoverable		**19,808**	19,808	**19,808**	19,808
Deferred tax assets		**191,285**	138,791	**150,274**	99,123
Total assets		**108,256,893**	107,684,817	**91,084,370**	89,498,156
Liabilities					
Deposits from customers	*24*	**78,838,442**	81,563,195	**65,141,907**	67,174,599
Deposits and placements from banks and other financial institutions	*25*	**4,736,418**	2,450,864	**5,851,848**	2,809,432
Bills payable		**219,787**	156,208	**188,878**	143,991
Derivative financial liabilities	*39*	**2,003,231**	1,868,914	**2,023,024**	1,880,441
Structured liabilities designated at fair value through profit and loss	*26*	**3,717,518**	3,376,093	**1,750,415**	1,775,816
Other liabilities	*27*	**4,436,479**	4,332,834	**3,924,069**	3,754,647
Provision for taxation		**283,124**	152,892	**216,356**	108,079
Total liabilities		**94,234,999**	93,901,000	**79,096,497**	77,647,005
Equity					
Share capital and other equity	*28*	**4,228,875**	4,228,875	**4,228,875**	4,228,875
Reserves		**9,793,019**	9,554,942	**7,758,998**	7,622,276
Total equity attributable to owner of the Group and the Bank		**14,021,894**	13,783,817	**11,987,873**	11,851,151
Total liabilities and equity		**108,256,893**	107,684,817	**91,084,370**	89,498,156
Commitments and contingencies	*38*	**329,224,575**	269,734,990	**318,613,446**	259,026,450

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025 and the accompanying explanatory notes on pages 11 to 49 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 23 July 2026.

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

UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

		Group			
		Second Quarter		**Six Months Ended**	
		30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Interest income	*29*	**701,108**	741,060	**1,395,025**	1,476,583
Interest expense	*29*	**(257,608)**	(266,138)	**(511,298)**	(538,164)
Net interest income	*29*	**443,500**	474,922	**883,727**	938,419
Fee and commission income	*30*	**180,402**	144,766	**355,117**	301,677
Fee and commission expense	*30*	**(28,894)**	(26,178)	**(36,929)**	(45,840)
Net fee and commission income	*30*	**151,508**	118,588	**318,188**	255,837
Net (expense)/income from financial instruments held for trading or managed on a fair value basis	*31*	**(25,086)**	863,741	**(193,575)**	859,540
Income from Islamic banking operations	*32*	**494,805**	(467,741)	**1,109,370**	(61,731)
Other operating income	*33*	**19,536**	15,762	**36,442**	32,458
Operating income before expected credit loss (ECL)		**1,084,263**	1,005,272	**2,154,152**	2,024,523
ECL (charges)/written-back	*34*	**(18,998)**	4,880	**(37,573)**	(8,539)
Net operating income		**1,065,265**	1,010,152	**2,116,579**	2,015,984
Other operating expenses	*35*	**(514,005)**	(483,300)	**(983,958)**	(954,795)
Profit before tax		**551,260**	526,852	**1,132,621**	1,061,189
Tax expense		**(138,208)**	(127,816)	**(282,386)**	(260,332)
Profit for the financial period		**413,052**	399,036	**850,235**	800,857
Profit attributable to owner of the Group		**413,052**	399,036	**850,235**	800,857
Basic earnings per RM0.50 ordinary share		**180.4 sen**	174.3 sen	**371.3 sen**	349.7 sen
Dividends per RM0.50 ordinary share (net)					
- final dividend paid in respect of prior period		**227.5 sen**	168.3 sen	**227.5 sen**	168.3 sen

HSBC BANK MALAYSIA BERHAD
(Company No. 198401015221 (127776-V))
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UNAUDITED CONDENSED STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026 (Cont'd)

		Bank			
		Second Quarter		**Six Months Ended**	
		30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Interest income	*29*	**713,816**	765,008	**1,423,539**	1,518,793
Interest expense	*29*	**(261,262)**	(269,403)	**(517,900)**	(544,306)
Net interest income	*29*	**452,554**	495,605	**905,639**	974,487
Fee and commission income	*30*	**178,012**	144,325	**351,178**	300,379
Fee and commission expense	*30*	**(28,894)**	(26,178)	**(36,929)**	(45,840)
Net fee and commission income	*30*	**149,118**	118,147	**314,249**	254,539
Net income from financial instruments held for trading or managed on a fair value basis	*31*	**257,705**	176,461	**496,038**	366,623
Other operating income	*33*	**138,514**	184,489	**213,962**	263,921
Operating income before ECL		**997,891**	974,702	**1,929,888**	1,859,570
ECL (charges)/written-back	*34*	**(17,051)**	1,694	**(31,237)**	(108)
Net operating income		**980,840**	976,396	**1,898,651**	1,859,462
Other operating expenses	*35*	**(488,225)**	(457,791)	**(934,253)**	(904,719)
Profit before tax		**492,615**	518,605	**964,398**	954,743
Tax expense		**(106,248)**	(98,242)	**(220,244)**	(202,514)
Profit for the financial period		**386,367**	420,363	**744,154**	752,229
Profit attributable to owner of the Bank		**386,367**	420,363	**744,154**	752,229
Basic earnings per RM0.50 ordinary share		**168.7 sen**	183.6 sen	**325.0 sen**	328.5 sen
Dividends per RM0.50 ordinary share (net)					
- final dividend paid in respect of prior period		**227.5 sen**	168.3 sen	**227.5 sen**	168.3 sen

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025 and the accompanying explanatory notes on pages 11 to 49 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 23 July 2026.

HSBC BANK MALAYSIA BERHAD
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UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Profit for the financial period	**413,052**	399,036	**850,235**	800,857
Other comprehensive income/(expense)				
Items that will not be reclassified to profit or loss				
Revaluation reserve:				
Income tax effect	**–**	207	**–**	207
Own credit reserve:				
Change in fair value	**(854)**	4,045	**(4,724)**	5,920
Income tax effect	**205**	(971)	**1,134**	(1,421)
Fair value through other comprehensive income reserve (equity instruments):				
Change in fair value	**14,139**	11,327	**14,139**	11,327
Income tax effect	**(3,393)**	(2,718)	**(3,393)**	(2,718)
Items that will subsequently be reclassified to profit or loss when specific conditions are met				
Fair value through other comprehensive income reserve (debt instruments):				
Change in fair value	**(5,629)**	62,901	**(49,448)**	83,040
Amount transferred to profit or loss	**91**	(1,344)	**(3,459)**	(6,638)
ECL (written-back)/charges	**(160)**	84	**(156)**	(47)
Income tax effect	**1,329**	(10,445)	**12,720**	(14,007)
Other comprehensive income/(expense) for the financial period, net of income tax	**5,728**	63,086	**(33,187)**	75,663
Total comprehensive income for the financial period	**418,780**	462,122	**817,048**	876,520
Total comprehensive income attributable to owner of the Group	**418,780**	462,122	**817,048**	876,520

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UNAUDITED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026 (Cont'd)

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM’000	RM’000	**RM’000**	RM’000
Profit for the financial period	**386,367**	420,363	**744,154**	752,229
Other comprehensive income/(expense)				
Items that will not be reclassified to profit or loss				
Revaluation reserve:				
Income tax effect	**–**	207	**–**	207
Own credit reserve:				
Change in fair value	**(309)**	2,596	**(2,608)**	2,620
Income tax effect	**74**	(623)	**626**	(629)
Fair value through other comprehensive income reserve (equity instruments):				
Change in fair value	**14,139**	11,327	**14,139**	11,327
Income tax effect	**(3,393)**	(2,718)	**(3,393)**	(2,718)
Items that will subsequently be reclassified to profit or loss when specific conditions are met				
Fair value through other comprehensive income reserve (debt instruments):				
Change in fair value	**(5,559)**	62,901	**(45,253)**	82,094
Amount transferred to profit or loss	**92**	(1,344)	**(3,553)**	(6,638)
ECL (written-back)/charges	**(125)**	117	**(138)**	11
Income tax effect	**1,312**	(14,775)	**11,713**	(18,110)
Other comprehensive income/(expense) for the financial period, net of income tax	**6,231**	57,688	**(28,467)**	68,164
Total comprehensive income for the financial period	**392,598**	478,051	**715,687**	820,393
Total comprehensive income attributable to owner of the Bank	**392,598**	478,051	**715,687**	820,393

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025 and the accompanying explanatory notes on pages 11 to 49 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 23 July 2026.

HSBC BANK MALAYSIA BERHAD
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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

Group (RM'000)	*Non-distributable*							*Distributable*	
	Share capital								
	Ordinary shares	*Preference shares*	*Revaluation reserve*	*FVOCI reserve*	*Own credit reserve*	*Capital contribution reserve*	*Regulatory reserve*	*Retained profits*	*Total equity*
2026									
Balance at 1 January	**1,045,875**	**3,183,000**	**127,372**	**253,195**	**4,002**	**90,249**	**424,000**	**8,656,124**	**13,783,817**
Profit for the financial period	–	–	–	–	–	–	–	**850,235**	**850,235**
Other comprehensive income, net of income tax									
Revaluation reserve:									
Transfer to retained profits upon realisation of depreciation	–	–	(720)	–	–	–	–	720	–
FVOCI reserve/Own credit reserve									
Net change in fair value	–	–	–	(25,982)	(3,590)	–	–	–	(29,572)
Net amount transferred to profit or loss	–	–	–	(3,459)	–	–	–	–	(3,459)
ECL written-back	–	–	–	(156)	–	–	–	–	(156)
Total other comprehensive (expense)/income	–	–	*(720)*	*(29,597)*	*(3,590)*	–	–	*720*	*(33,187)*
Total other comprehensive (expense)/income for the financial period	–	–	**(720)**	**(29,597)**	**(3,590)**	–	–	**850,955**	**817,048**
Net change in regulatory reserves	–	–	–	–	–	–	**8,900**	**(8,900)**	–
Transactions with the owner, recorded directly in equity									
Share based payment transactions	–	–	–	–	–	**75**	–	**(3,181)**	**(3,106)**
Dividends paid to owner - 2025 final	–	–	–	–	–	–	–	**(520,865)**	**(520,865)**
Dividends paid to preference shareholder	–	–	–	–	–	–	–	**(55,000)**	**(55,000)**
Balance at 30 June	**1,045,875**	**3,183,000**	**126,652**	**223,598**	**412**	**90,324**	**432,900**	**8,919,133**	**14,021,894**

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026 (Cont'd)

Group (RM'000)	*Non-distributable*							*Distributable*	
	Share capital								
	Ordinary shares	*Preference shares*	*Revaluation reserve*	*FVOCI reserve*	*Own credit reserve*	*Capital contribution reserve*	*Regulatory reserve*	*Retained profits*	*Total equity*
2025									
Balance at 1 January	1,045,875	2,193,000	127,947	179,079	(771)	92,386	449,000	9,110,558	13,197,074
Profit for the financial period	–	–	–	–	–	–	–	800,857	800,857
Other comprehensive income, net of income tax									
Revaluation reserve:									
Transfer to retained profits for realisation of revaluation upon disposal of property	–	–	(2,082)	–	–	–	–	2,082	–
Transfer to retained profits upon realisation of depreciation	–	–	(693)	–	–	–	–	693	–
Deferred tax adjustment on revaluation reserve	–	–	207	–	–	–	–	–	207
FVOCI reserve/Own credit reserve									
Net change in fair value	–	–	–	77,642	4,499	–	–	–	82,141
Net amount transferred to profit or loss	–	–	–	(6,638)	–	–	–	–	(6,638)
ECL written-back	–	–	–	(47)	–	–	–	–	(47)
Total other comprehensive (expense)/income	–	–	*(2,568)*	*70,957*	*4,499*	–	–	*2,775*	*75,663*
Total comprehensive (expense)/income for the financial period	–	–	(2,568)	70,957	4,499	–	–	803,632	876,520
Net change in regulatory reserves	–	–	–	–	–	–	(58,100)	58,100	–
Transactions with the owner, recorded directly in equity									
Share based payment transactions	–	–	–	–	–	1,355	–	(2,753)	(1,398)
Dividends paid to owner - 2024 final	–	–	–	–	–	–	–	(385,326)	(385,326)
Dividends paid to preference shareholder	–	–	–	–	–	–	–	(59,845)	(59,845)
Balance at 30 June	**1,045,875**	**2,193,000**	**125,379**	**250,036**	**3,728**	**93,741**	**390,900**	**9,524,366**	**13,627,025**

UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026 (Cont'd)

	Non-distributable							*Distributable*	
Bank (RM'000)	*Share capital*								
	Ordinary shares	*Preference shares*	*Revaluation reserve*	*FVOCI reserve*	*Own credit reserve*	*Capital contribution reserve*	*Regulatory reserve*	*Retained profits*	*Total equity*
2026									
Balance at 1 January	**1,045,875**	**3,183,000**	**127,372**	**248,565**	**1,812**	**89,966**	**355,900**	**6,798,661**	**11,851,151**
Profit for the financial period	–	–	–	–	–	–	–	**744,154**	**744,154**
Other comprehensive income, net of income tax									
Revaluation reserve:									
Transfer to retained profits upon realisation of depreciation	–	–	**(720)**	–	–	–	–	**720**	–
FVOCI reserve/Own credit reserve									
Net change in fair value	–	–	–	**(22,794)**	**(1,982)**	–	–	–	**(24,776)**
Net amount transferred to profit or loss	–	–	–	**(3,553)**	–	–	–	–	**(3,553)**
ECL written-back	–	–	–	**(138)**	–	–	–	–	**(138)**
Total other comprehensive (expense)/income	–	–	***(720)***	***(26,485)***	***(1,982)***	–	–	***720***	***(28,467)***
Total comprehensive (expense)/income for the financial year	–	–	**(720)**	**(26,485)**	**(1,982)**	–	–	**744,874**	**715,687**
Net change in regulatory reserves	–	–	–	–	–	–	**18,600**	**(18,600)**	–
Transactions with the owner, recorded directly in equity									
Share based payment transactions	–	–	–	–	–	**18**	–	**(3,118)**	**(3,100)**
Dividends paid to owner - 2025 final	–	–	–	–	–	–	–	**(520,865)**	**(520,865)**
Dividends paid to preference shareholder	–	–	–	–	–	–	–	**(55,000)**	**(55,000)**
Balance at 30 June	**1,045,875**	**3,183,000**	**126,652**	**222,080**	**(170)**	**89,984**	**374,500**	**6,945,952**	**11,987,873**

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UNAUDITED CONDENSED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026 (Cont'd)

Bank (RM'000)	*Non-distributable*							*Distributable*	
	Share capital								
	Ordinary shares	*Preference shares*	*Revaluation reserve*	*FVOCI reserve*	*Own credit reserve*	*Capital contribution reserve*	*Regulatory reserve*	*Retained profits*	*Total equity*
2025									
Balance at 1 January	1,045,875	2,193,000	127,947	178,778	(486)	92,060	382,000	6,945,224	10,964,398
Profit for the financial period	–	–	–	–	–	–	–	752,229	752,229
Other comprehensive income, net of income tax									
Revaluation reserve:									
Transfer to retained profits for realisation of revaluation upon disposal of property	–	–	(2,082)	–	–	–	–	2,082	–
Transfer to retained profits upon realisation of depreciation	–	–	(693)	–	–	–	–	693	–
Deferred tax adjustment on revaluation reserve	–	–	207	–	–	–	–	–	207
FVOCI reserve/Own credit reserve									
Net change in fair value	–	–	–	72,593	1,991	–	–	–	74,584
Net amount transferred to profit or loss	–	–	–	(6,638)	–	–	–	–	(6,638)
ECL written-back	–	–	–	11	–	–	–	–	11
Total other comprehensive (expense)/income	–	–	*(2,568)*	*65,966*	*1,991*	–	–	*2,775*	*68,164*
Total comprehensive (expense)/income for the financial period	–	–	(2,568)	65,966	1,991	–	–	755,004	820,393
Net change in regulatory reserves	–	–	–	–	–	–	(15,600)	15,600	–
Transactions with the owner, recorded directly in equity									
Share based payment transactions	–	–	–	–	–	1,339	–	(2,726)	(1,387)
Dividends paid to owner - 2024 final	–	–	–	–	–	–	–	(385,326)	(385,326)
Dividends paid to preference shareholder	–	–	–	–	–	–	–	(59,845)	(59,845)
Balance at 30 June	1,045,875	2,193,000	125,379	244,744	1,505	93,399	366,400	7,267,931	11,338,233

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025 and the accompanying explanatory notes on pages 11 to 49 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 23 July 2026.

HSBC BANK MALAYSIA BERHAD
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UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	Group		*Bank*	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Profit before tax	**1,132,621**	1,061,189	**964,398**	954,743
Adjustments for non-operating and non-cash items	**769,302**	(429,714)	**(153,443)**	(164,379)
Operating profit before working capital changes	**1,901,923**	631,475	**810,955**	790,364
Changes in working capital:				
Net changes in operating assets	**(5,255,536)**	4,827,387	**(3,115,731)**	2,453,414
Net changes in operating liabilities	**207,632**	2,037,031	**1,375,566**	1,676,113
Income tax paid	**(194,258)**	(191,271)	**(154,172)**	(146,061)
Net cash generated from operations	**(3,340,239)**	7,304,622	**(1,083,382)**	4,773,830
Net cash generated from/(used in) investing activities	**1,379,587**	(410,502)	**1,450,140**	(205,521)
Net cash used in financing activities	**(575,865)**	(445,171)	**(575,865)**	(445,171)
	803,722	(855,673)	**874,275**	(650,692)
Net changes in cash and cash equivalents	**(2,536,517)**	6,448,949	**(209,107)**	4,123,138
Cash and cash equivalents at 1 January	**15,593,217**	7,400,867	**9,895,207**	4,808,469
Cash and cash equivalents at 30 June	**13,056,700**	13,849,816	**9,686,100**	8,931,607
Analysis of cash and cash equivalents				
Cash and short-term funds	**13,056,700**	13,849,816	**9,686,100**	8,931,607

Changes in liabilities arising from financing activities

There are no movements in change in liabilities arising from financing activities for the Group and the Bank for the financial period ended 30 June 2026 and 30 June 2025.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025 and the accompanying explanatory notes on pages 11 to 49 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 23 July 2026.

NOTES TO THE FINANCIAL STATEMENTS

1 General Information

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

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

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

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

The unaudited condensed interim financial statements were approved and authorised for issue by the Board of Directors on 23 July 2026, any amendments made to the notes of the financial statement are in accordance with the delegated authority of the resolution of the Directors.

2 Basis of Preparation

The unaudited condensed interim financial statements for the financial period ended 30 June 2026 have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (MFRS) 134 'Interim Financial Reporting' and International Accounting Standard 34 'Interim Financial Reporting'. The unaudited condensed interim financial statements incorporate those activities relating to Islamic Banking which have been undertaken by the Bank's Islamic subsidiary.

The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and Bank since the financial year ended 31 December 2025.

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

The accounting policies, presentation, significant estimates and judgements adopted by the Group and the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2025, except for the adoption of the following amendments to MFRSs which are effective during the current financial period:

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

  The amendments to MFRS 9 and MFRS 7 are to:

  - require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

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

- Amendments to MFRS 9 and MFRS 7 on 'Classification and Measurement of Financial Instruments' (Cont'd)

  The amendments to MFRS 9 and MFRS 7 are to (Cont'd):

  - update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

- Annual Improvements to MFRS Accounting Standards

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

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

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

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

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

<u>Effective for annual periods commencing on or after 1 January 2027</u>

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

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

  - Income and expenses are classified into 3 new main categories:
    - Operating category which typically includes results from the main business activities;
    - Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
    - Financing category that presents income and expenses from financing liabilities.

  - Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

  Management-defined performance measures (MPMs) are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards. Changes are also made to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

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

3 Functional and Presentation Currency

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

4 Auditors' Report On Preceding Annual Financial Statements

The audit report on the audited annual financial statements for the financial year ended 31 December 2025 was not subject to any qualification.

5 Seasonal or Cyclical Factors

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

6 Unusual Items due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and Bank for the financial period ended 30 June 2026.

7 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and Bank for the financial period ended 30 June 2026.

8 Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale or repayment of debt and equity securities during the financial period ended 30 June 2026.

9 Dividend

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

	Total (RM'million)
Ordinary shares	
In respect of financial year ended 31 December 2025:	
– Final dividend of 227.45 sen (paid on 21 April 2026)	520.9
Preference shares	
– Annual dividend of preference shares issued on 27 June 2022 (paid on 29 June 2026)	55.0

The Board of Directors via a resolution on 23 July 2026, has approved the payment of an interim dividend of 259.97 sen per ordinary share, amounting to net dividend payment of RM595.3 million in respect of the financial period ended 30 June 2026. The dividend will be accounted for in the shareholder's equity as an appropriation of retained earnings in the subsequent financial period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10 Carrying Amount of Revalued Assets

Property and equipment are stated at cost/valuation less accumulated depreciation and impairment losses (if any) except for freehold land which is stated at professional valuation. There was no change in the valuation of property and equipment that was brought forward from the previous audited financial statements for the financial year ended 31 December 2025.

11 Significant and Subsequent Events

There were no other material events subsequent to the date of the statement of financial position that require disclosure or adjustments to the unaudited condensed interim financial statements.

12 Cash and Short-Term Funds

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Cash and balances with banks and other financial institutions	**1,483,489**	1,558,794	**1,325,185**	1,366,008
Money at call and interbank placements with original maturities of three months or less	**11,573,211**	14,034,423	**8,360,915**	8,529,199
	13,056,700	15,593,217	**9,686,100**	9,895,207

Included in cash and short-term funds of the Bank are placements with the Bank's wholly owned subsidiary, HSBC Amanah Malaysia Berhad (HBMS) of RM146,592,000 as at 30 June 2026 (31 December 2025: RM79,180,000).

Money at call and interbank placements with original maturities of three months or less is within stage 1 allocation (12-month ECL) with ECL of RM70,000 for the Group and RM62,000 for the Bank as at 30 June 2026 (31 December 2025: RM18,000 for the Group and RM15,000 for the Bank).

13 Securities Purchased under Resale Agreements

Securities purchased under resale agreements (reverse repos) are treated as collateralised lendings/ financing and the amounts lent are reported as assets, measured at amortised cost. The balance is within Stage 1 allocation (12-month ECL) with no ECL required for the Group and the Bank as at 30 June 2026 and 31 December 2025.

14 Deposits and Placements with Banks and Other Financial Institutions

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Licensed banks	**9**	12,574	**1,316,610**	2,827,747
Bank Negara Malaysia	**130,304**	–	**–**	–
	130,313	**12,574**	**1,316,610**	**2,827,747**

Included in deposits and placements with Banks and other financial institutions of the Bank are placements with the Bank's wholly owned subsidiary, HSBC Amanah Malaysia Berhad (HBMS) of RM1,316.6 million (31 December 2025: RM2,827.8 million).

The balance is within Stage 1 allocation (12-month ECL) with no ECL required for the Group and the Bank as at 30 June 2026 and 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Money market instruments:				
Malaysian Government treasury bills	**621,956**	864,686	**621,956**	864,686
Malaysian Government Islamic treasury bills	**214,697**	281,797	**214,697**	281,797
Malaysian Government securities	**1,997,590**	2,366,257	**1,997,590**	2,366,257
Malaysian Government Islamic Sukuk	**201,737**	329,859	**201,737**	329,859
Cagamas bonds and notes	**919,833**	149,942	**919,833**	149,942
Negotiable Instruments of Deposits	**399,980**	–	**399,980**	–
	4,355,793	3,992,541	**4,355,793**	3,992,541
Unquoted:				
Corporate bonds and Sukuk	**231,654**	318,522	**231,654**	318,522
	4,587,447	4,311,063	**4,587,447**	4,311,063

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

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Debt instruments				
Money market instruments:				
Bank Negara Malaysia bills	**1,211,583**	2,457,011	**1,211,583**	2,457,011
Bank Negara Malaysia Islamic bills	**604,875**	1,609,251	**604,875**	1,609,251
Malaysian Government securities	**6,445,153**	6,534,536	**6,445,153**	6,534,536
Malaysian Government Islamic Sukuk	**4,559,333**	4,656,939	**2,967,190**	3,036,291
US treasury bond	**600,533**	406,785	**600,533**	406,785
	13,421,477	15,664,522	**11,829,334**	14,043,874
Equity instruments designated as FVOCI				
Unquoted Shares, of which:	**273,370**	259,232	**273,370**	259,232
Cagamas Holdings Berhad	***228,533***	*215,515*	***228,533***	*215,515*
Credit Guarantee Corporation Malaysia Berhad	***38,032***	*37,013*	***38,032***	*37,013*
Others	***6,805***	*6,704*	***6,805***	*6,704*
	13,694,847	15,923,754	**12,102,704**	14,303,106

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

16 Financial Investments at Fair Value through Other Comprehensive Income (FVOCI) (Cont'd)

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

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Maturing within one year	**4,732,751**	5,807,401	**4,341,737**	5,393,993
More than one year to three years	**5,286,730**	6,527,293	**4,085,601**	5,320,053
More than three years to five years	**3,401,996**	3,329,828	**3,401,996**	3,329,828
	13,421,477	15,664,522	**11,829,334**	14,043,874

There are no FVOCI balances that are pledged against Repurchase Agreement as at 30 June 2026 (31 December 2025: RM Nil).

Financial investments at FVOCI are within stage 1 allocation (12-month ECL) with RM1,178,000 ECL for the Group and RM1,022,000 for the Bank as at 30 June 2026 (31 December 2025: RM1,333,000 for the Group and RM1,159,000 for the Bank). The carrying amount of financial investments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statements of financial position.

17 Financial Investments at Amortised Cost

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Debt instruments				
Money market instruments:				
Malaysian Government Islamic Sukuk	**5,677,339**	5,860,951	**3,796,016**	3,931,542
Malaysian Government securities	**6,738,827**	5,818,750	**6,738,827**	5,818,750
Unquoted:				
Corporate Sukuk	**720,382**	650,228	**220,105**	199,949
	13,136,548	12,329,929	**10,754,948**	9,950,241

Financial investments at amortised cost are within stage 1 allocation (12-month ECL) with RM1,527,000 ECL for the Group and RM1,341,000 for the Bank as at 30 June 2026 (31 December 2025: RM1,375,000 for the Group and RM1,153,000 for the Bank).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18 Loans, Advances and Financing

(i) By type

	Group		Bank	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
At amortised cost	**RM'000**	RM'000	**RM'000**	RM'000
Overdrafts/cash line	**531,633**	409,529	**445,501**	339,621
Term loans/financing:				
Housing loans/financing	**13,243,677**	13,573,022	**9,629,990**	9,894,429
Syndicated term loans/financing	**1,751,329**	1,370,632	**767,194**	788,158
Factoring receivables	**2,512,768**	2,588,389	**2,512,768**	2,488,361
Hire purchase receivables	**84,870**	106,461	**–**	–
Other term loans/financing	**6,726,551**	7,153,386	**3,552,349**	3,581,048
Bills receivable	**6,016,136**	5,079,743	**4,660,126**	3,542,680
Trust receipts	**2,977,468**	2,565,363	**2,189,436**	1,875,834
Staff loans/financing	**34,056**	36,787	**33,236**	35,929
Credit/charge cards	**4,284,310**	4,424,014	**3,115,748**	3,195,722
Revolving financing	**6,052,815**	5,910,700	**4,822,214**	4,481,561
Other loans/financing	**9,408**	9,423	**6,976**	6,776
Gross loans, advances and financing [1]	**44,225,021**	43,227,449	**31,735,538**	30,230,119
Less: ECL	**(469,987)**	(466,446)	**(260,720)**	(262,930)
Total net loans, advances and financing	**43,755,034**	42,761,003	**31,474,818**	29,967,189

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

	Bank	
	30 Jun 2026	31 Dec 2025
	RM'000	RM'000
Syndicated term financing	**144,233**	143,921
Other term financing	**359,844**	364,638
Revolving financing	**1,000,569**	1,000,756
Trade financing	**16,082**	21,127
Gross loans, advances and financing	**1,520,728**	1,530,442
Less: ECL	**(334)**	(56)
Total net loans, advances and financing	**1,520,394**	1,530,386

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18 Loans, Advances and Financing (Cont'd)

(ii) By type of customer

	Group		*Bank*	
	30 Jun 2026 RM'000	31 Dec 2025 RM'000	**30 Jun 2026 RM'000**	31 Dec 2025 RM'000
Domestic non-bank financial institutions	**855,510**	731,994	**705,303**	585,523
Domestic business enterprises:				
Small medium enterprises	**1,648,492**	1,726,752	**942,954**	978,723
Others	**17,908,248**	16,939,138	**13,663,685**	13,002,879
Government and statutory bodies	**32,008**	155,262	**2**	3,219
Individuals	**16,296,574**	16,835,552	**11,276,013**	11,615,360
Other domestic entities	**688**	677	**688**	349
Foreign entities/individuals	**7,483,501**	6,838,074	**5,146,893**	4,044,066
	44,225,021	43,227,449	**31,735,538**	30,230,119

(iii) By residual contractual maturity

	Group		*Bank*	
	30 Jun 2026 RM'000	31 Dec 2025 RM'000	**30 Jun 2026 RM'000**	31 Dec 2025 RM'000
Maturity within one year	**23,112,578**	21,388,421	**18,275,566**	16,280,628
More than one year to three years	**3,203,712**	2,472,749	**1,213,721**	810,882
More than three years to five years	**2,763,550**	3,733,996	**1,764,469**	2,269,936
More than five years	**15,145,181**	15,632,283	**10,481,782**	10,868,673
	44,225,021	43,227,449	**31,735,538**	30,230,119

(iv) By interest/profit rate sensitivity

	Group		*Bank*	
	30 Jun 2026 RM'000	31 Dec 2025 RM'000	**30 Jun 2026 RM'000**	31 Dec 2025 RM'000
Fixed rate:				
Hire purchase receivables	**84,870**	106,461	**–**	–
Other fixed rate loans/financing	**14,089,901**	12,869,456	**10,347,148**	8,928,818
Variable rate:				
Base Rate/Base Lending/Financing Rate	**11,994,416**	12,723,172	**8,809,481**	9,360,266
Cost-plus	**18,055,834**	17,528,360	**12,578,909**	11,941,035
	44,225,021	43,227,449	**31,735,538**	30,230,119

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18 Loans, Advances and Financing (Cont'd)

(v) By sector

	Group		Bank	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Agricultural, hunting, forestry and fishing	**51,421**	53,464	**50,987**	52,752
Mining and quarrying	**650,438**	711,282	**546,441**	645,321
Manufacturing	**8,062,244**	7,767,588	**6,720,185**	6,485,800
Electricity, gas and water	**517,398**	550,922	**237,411**	254,521
Construction	**1,741,621**	1,846,794	**1,057,286**	1,098,257
Real estate	**1,497,724**	1,314,945	**431,372**	458,778
Wholesale & retail trade and restaurants & hotels	**6,345,941**	4,866,051	**5,269,145**	3,882,098
Transport, storage and communication	**1,098,694**	1,265,009	**489,910**	614,122
Finance, insurance and business services	**4,927,681**	4,856,839	**3,235,734**	2,678,265
Household-retail	**19,100,731**	19,652,861	**13,536,494**	13,891,843
Others	**231,128**	341,694	**160,573**	168,362
	44,225,021	43,227,449	**31,735,538**	30,230,119

(vi) By purpose

	Group		Bank	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Purchase of property:				
Residential	**13,260,142**	13,590,330	**9,646,243**	9,911,521
Non residential	**724,647**	804,465	**369,399**	398,490
Purchase of securities	**1,522**	1,715	**1,522**	1,715
Purchase of transport vehicles	**13,378**	14,388	**12,822**	13,842
Purchase of fixed assets excluding land & building	**85,120**	106,824	**–**	–
Consumption credit	**5,683,631**	5,891,868	**3,828,495**	3,912,946
Construction	**1,496,033**	1,626,951	**1,008,778**	1,043,029
Working capital	**22,843,648**	20,941,628	**16,751,379**	14,851,339
Others	**116,900**	249,280	**116,900**	97,237
	44,225,021	43,227,449	**31,735,538**	30,230,119

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18 Loans, Advances and Financing (Cont'd)

(vii) By geographical distribution

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Northern Region	**6,102,664**	5,594,783	**4,944,001**	4,391,410
Southern Region	**5,665,460**	5,881,584	**4,366,400**	4,459,338
Central Region	**31,448,182**	30,676,900	**21,620,220**	20,522,646
Eastern Region	**1,008,715**	1,074,182	**804,917**	856,725
	44,225,021	43,227,449	**31,735,538**	30,230,119

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.

19 Impaired Loans, Advances and Financing

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

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Gross carrying amount as at 1 January	**778,265**	1,430,940	**531,106**	920,961
Transfer within stages	**156,143**	(476,606)	**105,497**	(289,105)
Lending/(Repayment)	**15,276**	17,005	**(2,163)**	5,303
Written-off	**(99,073)**	(193,074)	**(59,254)**	(106,053)
Gross carrying amount as at 30 June / 31 December	**850,611**	778,265	**575,186**	531,106

(ii) By sector

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Agricultural, hunting, forestry and fishing	**2,918**	3,147	**2,918**	3,147
Mining and quarrying	**2,315**	2,701	**1,599**	1,825
Manufacturing	**63,682**	4,860	**61,462**	3,567
Electricity, gas and water	**43,631**	47,008	**–**	3,500
Construction	**60,374**	58,881	**57,460**	58,447
Real estate	**31,410**	38,179	**31,410**	38,179
Wholesale & retail trade, restaurants & hotels	**14,864**	15,102	**11,084**	9,840
Transport, storage and communication	**893**	881	**2**	1
Finance, insurance and business services	**4,398**	4,543	**370**	369
Household-retail	**626,126**	602,963	**408,881**	412,231
	850,611	778,265	**575,186**	531,106

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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

(iii) By purpose

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Purchase of property:				
Residential	**424,397**	419,326	**295,863**	306,545
Non residential	**7,012**	6,869	**4,332**	4,391
Consumption credit	**199,613**	181,847	**112,593**	105,272
Construction	**36,185**	34,568	**33,583**	34,568
Working capital	**183,404**	135,655	**128,815**	80,330
	850,611	778,265	**575,186**	531,106

(iv) By geographical distribution

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Northern Region	**107,858**	108,472	**85,103**	86,633
Southern Region	**103,609**	101,863	**85,718**	87,631
Central Region	**616,346**	545,891	**383,588**	335,547
Eastern Region	**22,798**	22,039	**20,777**	21,295
	850,611	778,265	**575,186**	531,106

20 ECL allowances

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

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

	Stage 1	Stage 2	Stage 3	
	12-month ECL not credit impaired	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Group	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2026	**60,531**	**177,318**	**228,597**	**466,446**
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	**25,237**	**(23,055)**	**(2,182)**	**–**
- Transferred to stage 2	**(9,253)**	**22,256**	**(13,003)**	**–**
- Transferred to stage 3	**(324)**	**(17,387)**	**17,711**	**–**
New financial assets originated or purchased	**6,666**	**–**	**–**	**6,666**
Net remeasurement due to changes in credit risk and assets derecognised	**(24,102)**	**21,137**	**101,675**	**98,710**
Asset written-off	**–**	**–**	**(99,073)**	**(99,073)**
Others	**–**	**–**	**(2,762)**	**(2,762)**
Balance at 30 June 2026	**58,755**	**180,269**	**230,963**	**469,987**
Balance at 1 January 2025	64,954	161,406	334,999	561,359
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	60,563	(48,702)	(11,861)	–
- Transferred to stage 2	(5,336)	80,519	(75,183)	–
- Transferred to stage 3	(414)	(4,848)	5,262	–
New financial assets originated or purchased	18,358	–	–	18,358
Net remeasurement due to changes in credit risk and assets derecognised	(77,594)	(11,057)	179,844	91,193
Asset written-off	–	–	(193,074)	(193,074)
Others	–	–	(11,390)	(11,390)
Balance at 31 December 2025	60,531	177,318	228,597	466,446

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

Total ECL allowances increased by RM3.5 million for the Group compared to the balance at the beginning of the year. This net increase was mainly contributed by remeasurement due to changes in credit risk and assets derecognised (RM98.7 million) and new financial assets originated or purchased (RM6.7 million), partially offset by asset written off (RM99.1 million).

– 12-month ECL not credit impaired (stage 1) – decreased by RM1.8 million for the Group, mainly from net remeasurement due to changes in credit risk and asset asset derecognised, offset by net migration of loans, advances and financing from stages 2 and 3 due to improved credit quality and new financial assets originated or purchased.
– Lifetime ECL not credit-impaired (stage 2) – increased by RM3.0 million for the Group, mainly from net remeasurement due to changes in credit risk and assets derecognised, offset by net migration of loans, advances and financing to stages 1 and 3.
– Lifetime ECL credit-impaired (stage 3) – increased by RM2.4 million for the Group, primarily from net remeasurement due to changes in credit risk and assets derecognised and net migration of loans, advances and financing from stages 1 and 2, partially offset by asset written-off.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20 ECL allowances (Cont'd)

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

	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL not credit impaired	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Bank	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2026	**36,149**	**87,641**	**139,140**	**262,930**
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	**15,771**	**(13,981)**	**(1,790)**	**–**
- Transferred to stage 2	**(3,877)**	**11,094**	**(7,217)**	**–**
- Transferred to stage 3	**(153)**	**(7,996)**	**8,149**	**–**
New financial assets originated or purchased	**4,446**	**–**	**–**	**4,446**
Net remeasurement due to changes in credit risk and assets derecognised	**(14,426)**	**8,536**	**60,136**	**54,246**
Asset written-off	**–**	**–**	**(59,254)**	**(59,254)**
Others	**–**	**–**	**(1,648)**	**(1,648)**
Balance at 30 June 2026	**37,910**	**85,294**	**137,516**	**260,720**
Balance at 1 January 2025	38,739	64,410	191,935	295,084
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	24,281	(15,657)	(8,624)	–
- Transferred to stage 2	(3,471)	41,225	(37,754)	–
- Transferred to stage 3	(211)	(1,968)	2,179	–
New financial assets originated or purchased	12,340	–	–	12,340
Net remeasurement due to changes in credit risk and assets derecognised	(35,529)	(369)	101,028	65,130
Asset written-off	–	–	(106,053)	(106,053)
Others	–	–	(3,571)	(3,571)
Balance at 31 December 2025	36,149	87,641	139,140	262,930

The total ECL allowances decreased by RM2.2 million for the Bank compared to the balance at the beginning of the year. This net decrease was mainly contributed by asset written-off (RM59.3 million), partially offset by net remeasurement due to changes in credit risk (RM54.2 million) and new financial assets originated or purchased (RM4.4 million).

– 12-month ECL not credit impaired (stage 1) – increased by RM1.8 million for the Bank mainly contributed by net migration of loans and advances from stages 2 and 3 due to improved credit quality and new financial assets originated or purchased, offset by net remeasurement due to change in credit risk and asset derecognised.
– Lifetime ECL not credit-impaired (stage 2) – decreased by RM2.3 million for the Bank, primarily from net migration of loans and advances from stages 1 and 3, partially offset by net remeasurement due to changes in credit risk.
– Lifetime ECL credit-impaired (stage 3) – decreased by RM1.6 million, primarily from asset written-off and net migration of loans and advances to stages 1 and 2, partially offset by net remeasurement due to changes in credit risk.

(ii) Movements in ECL allowances for loan commitments

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

	Stage 1 12-month ECL not credit impaired	Stage 2 Lifetime ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Total
Group	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2026	**6,758**	**1,325**	**84,406**	**92,489**
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	**42**	**(42)**	**–**	**–**
- Transferred to stage 2	**(103)**	**5,979**	**(5,876)**	**–**
- Transferred to stage 3	**–**	**–**	**–**	**–**
New financial assets originated or purchased	**594**	**–**	**–**	**594**
Net remeasurement due to changes in credit risk and assets derecognised	**2,414**	**(5,116)**	**(12,175)**	**(14,877)**
Others	**–**	**–**	**(639)**	**(639)**
Balance at 30 June 2026	**9,705**	**2,146**	**65,716**	**77,567**
Balance at 1 January 2025	10,047	3,397	78,993	92,437
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	779	(779)	–	–
- Transferred to stage 2	(258)	258	–	–
- Transferred to stage 3	(10)	–	10	–
New financial assets originated or purchased	537	–	–	537
Net remeasurement due to changes in credit risk and assets derecognised	(4,337)	(1,551)	10,133	4,245
Others	–	–	(4,730)	(4,730)
Balance at 31 December 2025	6,758	1,325	84,406	92,489

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20 ECL allowances movement (Cont'd)

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

	Stage 1	Stage 2	Stage 3	
	12-month ECL not credit impaired	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Bank	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2026	**5,279**	**840**	**47,427**	**53,546**
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	**31**	**(31)**	**–**	**–**
- Transferred to stage 2	**(87)**	**87**	**–**	**–**
- Transferred to stage 3	**–**	**–**	**–**	**–**
New financial assets originated or purchased	**366**	**–**	**–**	**366**
Net remeasurement due to changes in credit risk and assets derecognised	**2,088**	**141**	**(3,150)**	**(921)**
Others	**–**	**–**	**(644)**	**(644)**
Balance at 30 June 2026	**7,677**	**1,037**	**43,633**	**52,347**
Balance at 1 January 2025	7,714	1,959	54,764	64,437
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	319	(319)	–	–
- Transferred to stage 2	(62)	62	–	–
- Transferred to stage 3	(5)	–	5	–
New financial assets originated or purchased	368	–	–	368
Net remeasurement due to changes in credit risk and assets derecognised	(3,055)	(862)	(2,640)	(6,557)
Others	–	–	(4,702)	(4,702)
Balance at 31 December 2025	5,279	840	47,427	53,546

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

21 Other Assets

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Settlements	**2,682,866**	580,839	**2,679,299**	503,862
Interest/profit receivable	**292,006**	285,311	**248,620**	242,232
Income receivable	**86,627**	74,196	**94,472**	83,257
Deposits and prepayments	**15,511**	4,468	**14,490**	4,468
Amount due from subsidiary company	**–**	–	**200,836**	364,790
Rights of Use (ROU) assets	**19,318**	46,066	**13,122**	25,053
Cash collateral	**818,227**	29,448	**818,227**	29,448
Intangible assets	**9,092**	9,343	**9,092**	9,343
Property held for sale	**6,116**	6,116	**6,116**	6,116
Other receivables	**301,108**	303,931	**308,736**	316,969
	4,230,871	1,339,718	**4,393,010**	1,585,538

22 Statutory Deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with BNM in compliance with Section 26(2)(c) and 26(3) of the Central Bank of Malaysia Act 2009, the amounts of which are determined at set percentages of total eligible liabilities.

23 Investments in Subsidiary Companies

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Investments in Subsidiary Companies				
Unquoted shares, at cost - in Malaysia	**–**	–	**660,021**	660,021
Additional Tier 1 USD Wakalah Financing Facility [1]	**–**	–	**501,063**	501,063
Additional Tier 1 MYR Wakalah Financing Facility [2]	**–**	–	**495,000**	495,000
	–	–	**1,656,084**	1,656,084

Unquoted shares, at cost - in Malaysia

The subsidiary companies of the Bank are as follows:

Name	*Principal activities*	*Percentage of equity held*	
		30 Jun 2026	31 Dec 2025
HSBC Amanah Malaysia Berhad (HBMS)	Islamic banking and related financial services	**100%**	100%
HSBC (Kuala Lumpur) Nominees Sdn Bhd	Nominees, trustees or agents to receive securities for safe custody and management	**100%**	100%
HSBC Nominees (Tempatan) Sdn Bhd		**100%**	100%
HSBC Nominees (Asing) Sdn Bhd		**100%**	100%

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

23 Investments in Subsidiary Companies (Cont'd)

Additional Tier 1 Wakalah Financing Facility

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

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

	Issuance date	Nominal value	Issuance cost	Dividend rate
[1]	19 August 2022	RM501.1 million	–	Secured Overnight Financing Rate (SOFR) plus 137 basis points per annum
[2]	24 October 2025	RM500.0 million	RM5.0 million	3-month KLIBOR plus 68 basis points per annum

24 Deposits from Customers

	Group		Bank	
(i) By type of deposit	**30 Jun 2026 RM'000**	31 Dec 2025 RM'000	**30 Jun 2026 RM'000**	31 Dec 2025 RM'000
Demand deposits	**29,359,103**	32,205,831	**26,209,846**	28,212,016
Savings deposits	**16,684,309**	17,055,646	**13,380,476**	13,802,763
Fixed deposits	**32,795,030**	32,301,718	**25,551,585**	25,159,820
	78,838,442	81,563,195	**65,141,907**	67,174,599

The maturity structure of fixed deposits is as follows:

	Group		Bank	
	30 Jun 2026 RM'000	31 Dec 2025 RM'000	**30 Jun 2026 RM'000**	31 Dec 2025 RM'000
Due within six months	**26,670,983**	26,287,754	**20,576,033**	20,302,259
More than six months to one year	**5,505,180**	5,336,144	**4,530,912**	4,369,708
More than one year to three years	**502,429**	484,827	**352,948**	343,314
More than three years to five years	**116,438**	192,993	**91,692**	144,539
	32,795,030	32,301,718	**25,551,585**	25,159,820

	Group		Bank	
(ii) By type of customer	**30 Jun 2026 RM'000**	31 Dec 2025 RM'000	**30 Jun 2026 RM'000**	31 Dec 2025 RM'000
Government and statutory bodies	**9,127**	8,986	**1,116**	1,098
Business enterprises	**31,271,369**	33,586,928	**27,928,044**	29,690,777
Individuals	**28,887,599**	29,361,038	**23,172,496**	23,437,738
Foreign entities/individuals	**16,631,519**	16,929,836	**12,865,782**	13,209,557
Others	**2,038,828**	1,676,407	**1,174,469**	835,429
	78,838,442	81,563,195	**65,141,907**	67,174,599

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25 Deposits and Placements from Banks and Other Financial Institutions

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Licensed banks	**83,479**	72,345	**1,213,251**	466,004
Bank Negara Malaysia	**355,756**	191,233	**341,425**	156,160
Other financial institutions	**4,297,183**	2,187,286	**4,297,172**	2,187,268
	4,736,418	2,450,864	**5,851,848**	2,809,432

26 Structured Liabilities Designated at Fair Value through Profit or Loss

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Structured liabilities	**3,717,518**	3,376,093	**1,750,415**	1,775,816

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

27 Other Liabilities

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Settlements	**1,501,446**	866,509	**1,250,810**	570,348
Interest/profit payable	**265,749**	270,021	**211,007**	211,408
Deferred income	**165,078**	170,096	**141,633**	149,041
Marginal deposit	**260,819**	161,364	**250,832**	145,073
Amount due to subsidiary company	**–**	–	**3,253**	16,646
Accrued expenses	**263,526**	298,800	**244,409**	277,428
Lease liabilities	**22,037**	49,343	**14,391**	26,496
Cash collateral	**116,617**	856,950	**116,617**	856,950
Other creditors	**959,384**	997,612	**838,242**	882,845
Provisions on loan and credit related commitments; and financial guarantees [1]	**77,567**	92,489	**52,347**	53,546
Intercompany recharges payable	**804,256**	569,650	**800,528**	564,866
	4,436,479	4,332,834	**3,924,069**	3,754,647

[1] Refer to Note 20(ii) for movement in provision.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28 Share Capital and Other Equity

	Group and Bank			
	30 Jun 2026		31 Dec 2025	
	Number of Shares ('000)	**RM'000**	Number of Shares ('000)	RM'000
Share capital, issued and fully paid				
Ordinary shares of RM0.50 each				
At 1 January / 30 June 2026 / 31 December 2025	**229,000**	**1,045,875**	229,000	1,045,875
Additional Tier 1 Preference shares of RM1.00 each				
At 1 January	**3,200,000**	**3,183,000**	2,200,000	2,193,000
Issued during the financial period	**–**	**–**	1,000,000	990,000
At 30 June 2026/ 31 December 2025	**3,200,000**	**3,183,000**	3,200,000	3,183,000
Total share capital and other equity		**4,228,875**		4,228,875

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

Issuance date	Nominal value	Issuance cost	Dividend rate
27 June 2022	RM1,500 million	–	3-month KLIBOR plus 36 basis points per annum
11 July 2024	RM 700 million	RM 7 million	3-month KLIBOR plus 50 basis points per annum
27 October 2025	RM1,000 million	RM 10 million	3-month KLIBOR plus 68 basis points per annum

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29 Net Interest Income

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Interest income				
Loans and advances				
- Interest income other than from impaired loans	**347,207**	362,643	**688,330**	733,419
- Interest income recognised from impaired loans	**5,722**	6,547	**12,310**	12,773
Money at call and deposit placements with financial institutions	**160,645**	157,480	**299,344**	299,777
Financial investments at FVOCI	**97,058**	128,934	**217,232**	261,055
Financial investments at amortised cost	**90,476**	85,456	**177,809**	169,559
	701,108	741,060	**1,395,025**	1,476,583
Interest expense				
Deposits and placements of banks and other financial institutions	**(12,418)**	(17,093)	**(26,796)**	(31,802)
Deposits from customers	**(244,915)**	(250,572)	**(483,917)**	(505,346)
Others	**(275)**	1,527	**(585)**	(1,016)
	(257,608)	(266,138)	**(511,298)**	(538,164)
Net interest income	**443,500**	474,922	**883,727**	938,419

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Interest income				
Loans and advances				
- Interest income other than from impaired loans	**347,207**	362,643	**688,330**	733,419
- Interest income recognised from impaired loans	**5,722**	6,547	**12,310**	12,773
Money at call and deposit placements with financial institutions	**173,353**	181,428	**327,858**	341,987
Financial investments at FVOCI	**97,058**	128,934	**217,232**	261,055
Financial investments at amortised cost	**90,476**	85,456	**177,809**	169,559
	713,816	765,008	**1,423,539**	1,518,793

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29 Net Interest Income (Cont'd)

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Interest expense				
Deposits and placements of banks and other financial institutions	**(16,072)**	(20,358)	**(33,398)**	(37,944)
Deposits from customers	**(244,915)**	(250,572)	**(483,917)**	(505,346)
Others	**(275)**	1,527	**(585)**	(1,016)
	(261,262)	(269,403)	**(517,900)**	(544,306)
Net interest income	**452,554**	495,605	**905,639**	974,487

30 Net Fee and Commission Income

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Fee and commission income				
Credit cards	**39,858**	40,127	**80,102**	78,741
Service charges and fees	**26,292**	27,543	**50,388**	53,582
Fees on credit facilities	**18,757**	16,207	**36,321**	32,856
Agency fee	**79,917**	42,267	**158,289**	101,325
Others	**15,578**	18,622	**30,017**	35,173
	180,402	144,766	**355,117**	301,677
Fee and commission expense				
Debit/credit cards	**(21,283)**	(18,274)	**(23,319)**	(31,081)
Brokerage	**(2,370)**	(1,322)	**(2,797)**	(2,022)
Others	**(5,241)**	(6,582)	**(10,813)**	(12,737)
	(28,894)	(26,178)	**(36,929)**	(45,840)
Net fee and commission income	**151,508**	118,588	**318,188**	255,837

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 Net Fee and Commission Income (Cont'd)

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Fee and commission income				
Credit cards	**39,858**	40,127	**80,102**	78,741
Service charges and fees	**26,292**	27,543	**50,388**	53,582
Fees on credit facilities	**18,757**	16,207	**36,321**	32,856
Agency fee	**79,917**	42,267	**158,289**	101,325
Others	**13,188**	18,181	**26,078**	33,875
	178,012	144,325	**351,178**	300,379
Fee and commission expense				
Debit/credit cards	**(21,283)**	(18,274)	**(23,319)**	(31,081)
Brokerage	**(2,370)**	(1,322)	**(2,797)**	(2,022)
Others	**(5,241)**	(6,582)	**(10,813)**	(12,737)
	(28,894)	(26,178)	**(36,929)**	(45,840)
Net fee and commission income	**149,118**	118,147	**314,249**	254,539

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

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Realised gains on financial assets/liabilities at FVTPL and other financial instruments	**1,615**	10,346	**9,652**	15,090
Net interest income from financial assets at FVTPL	**37,382**	21,930	**74,263**	59,816
Net unrealised gains/(losses) on revaluation of financial assets at FVTPL	**4,527**	3,053	**(2,452)**	5,530
Net gains/(losses) from dealing in foreign currency				
- Realised	**138,579**	347,386	**199,120**	159,131
- Unrealised	**(286,137)**	432,832	**(527,052)**	638,327
Net gains/(losses) from dealing in derivative				
- Realised	**97,136**	35,317	**123,452**	47,734
- Unrealised	**(28,199)**	49,724	**(114,078)**	(19,262)
Gains/(losses) arising from fair value hedges	**34**	171	**(41)**	171
Net trading (expense)/income	**(35,063)**	900,759	**(237,136)**	906,537
Net income/(expense) from financial liabilities designated at fair value	**9,977**	(37,018)	**43,561**	(46,997)
	(25,086)	863,741	**(193,575)**	859,540

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Realised gains on financial assets/liabilities at FVTPL and other financial instruments	**1,615**	10,346	**9,652**	15,090
Net interest income from financial assets at FVTPL	**37,382**	21,930	**74,263**	59,816
Net unrealised gains/(losses) on revaluation of financial assets at FVTPL	**4,527**	3,053	**(2,452)**	5,530
Net gains/(losses) from dealing in foreign currency				
- Realised	**140,621**	338,505	**193,127**	155,858
- Unrealised	**78,528**	(174,970)	**211,081**	169,541
Net gains/(losses) from dealing in derivative				
- Realised	**58,144**	43,989	**58,932**	44,836
- Unrealised	**(73,123)**	(29,545)	**(92,085)**	(37,222)
Gains/(losses) arising from fair value hedges	**34**	171	**(41)**	171
Net trading income	**247,728**	213,479	**452,477**	413,620
Net income/(expense) from financial liabilities designated at fair value	**9,977**	(37,018)	**43,561**	(46,997)
	257,705	176,461	**496,038**	366,623

Net income from financial instruments held for trading or managed on a fair value basis for the Group is presented in both Note 31 and Note 32. A reconciliation for the Group is as follows:

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Total net income from financial instruments held for trading or managed on a fair value basis (net of elimination with subsidiary)	**271,503**	65,120	**519,879**	369,936
of which:				
- is disclosed in Note 31	**(25,086)**	863,741	**(193,575)**	859,540
- is included under Income from Islamic Banking operations of the Group (Note 32)	**296,589**	(798,621)	**713,454**	(489,604)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32 Income from Islamic Banking operations

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

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Income derived from investment of:				
- depositor funds and others [1]	**199,443**	210,172	**414,579**	435,888
- shareholders funds	**79,515**	77,932	**136,816**	133,195
Total income before ECL	**278,958**	288,104	**551,395**	569,083
Income attributable to the depositors	**(73,412)**	(88,613)	**(149,232)**	(172,247)
Income from Islamic Banking operations before elimination	**205,546**	199,491	**402,163**	396,836
Elimination of intercompany income and expenses	**289,259**	(667,232)	**707,207**	(458,567)
Income from Islamic Banking operations reported in statement of profit or loss of the Group	**494,805**	(467,741)	**1,109,370**	(61,731)
[1] Included in the income derived from investment of depositors' funds and others are net income/(expense) from financial instruments held for trading or managed on a fair value basis profit or loss for the period ended 30 June:	**296,589**	(798,621)	**713,454**	(489,604)

33 Other Operating Income

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net gain on disposal of financial investments at FVOCI	**–**	–	**5,280**	5,294
Dividend income from financial investments at FVOCI (Unquoted in Malaysia)	**1,245**	1,245	**1,245**	1,245
Rental income	**8,603**	6,031	**16,406**	12,310
Net gain on disposal of property and equipment	**–**	835	**–**	1,020
Other operating income	**9,688**	7,651	**13,511**	12,589
	19,536	15,762	**36,442**	32,458

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

33 Other Operating Income (Cont'd)

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net gain on disposal of financial investments at FVOCI	**–**	–	**5,280**	5,294
Dividend income from financial investments at FVOCI (Unquoted in Malaysia)	**1,245**	1,245	**1,245**	1,245
Dividend income from subsidiary	**63,983**	118,990	**63,983**	118,990
Discretionary coupon income on other equity instrument issued by subsidiary	**9,736**	–	**21,860**	15,687
Rental income	**8,603**	6,031	**16,406**	12,310
Net gain on disposal of property and equipment	**–**	835	**–**	1,020
Income recharges from subsidiary	**45,259**	49,737	**91,677**	96,786
Other operating income	**9,688**	7,651	**13,511**	12,589
	138,514	184,489	**213,962**	263,921

34 ECL Charges/(Written-back)

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net increase in ECL	**43,624**	26,381	**90,679**	65,336
Recoveries	**(24,626)**	(31,306)	**(53,120)**	(57,024)
Written off	**–**	45	**14**	227
ECL charges/(written-back)	**18,998**	(4,880)	**37,573**	8,539

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net increase in ECL	**29,416**	13,770	**58,886**	28,157
Recoveries	**(12,365)**	(15,509)	**(27,663)**	(28,274)
Written off	**–**	45	**14**	225
ECL charges/(written-back)	**17,051**	(1,694)	**31,237**	108

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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

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

(i) Loan, advances and financing

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net increase in ECL	**52,720**	33,707	**104,911**	69,130
Recoveries	**(24,626)**	(31,306)	**(53,120)**	(57,024)
Written off	**–**	45	**14**	227
ECL charges	**28,094**	2,446	**51,805**	12,333

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net increase in ECL	**28,769**	18,130	**59,341**	31,701
Recoveries	**(12,365)**	(15,509)	**(27,663)**	(28,274)
Written off	**–**	45	**14**	225
ECL charges	**16,404**	2,666	**31,692**	3,652

(ii) Money at call and interbank placements with original maturities of three months or less

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net increase/(release) in ECL	**5**	(3)	**55**	7

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net increase/(release) in ECL	**13**	(6)	**50**	5

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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

(iii) Debt securities - FVOCI

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net (release)/increase in ECL	**(159)**	85	**(156)**	(45)

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net (release)/increase in ECL	**(125)**	119	**(138)**	14

(iv) Financial investments at amortised costs

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net increase/(release) in ECL	**162**	(285)	**152**	(130)

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net increase/(release) in ECL	**181**	(165)	**188**	(100)

(v) Loan commitments and contingencies

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net release in ECL	**(9,104)**	(7,123)	**(14,283)**	(3,626)

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Net increase/(release) in ECL	**578**	(4,308)	**(555)**	(3,463)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35 Other Operating Expenses

	Group			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Personnel expenses	**215,478**	182,185	**393,512**	355,660
Promotion and marketing related expenses	**10,454**	10,406	**18,337**	19,265
Establishment related expenses	**35,332**	36,923	**73,681**	70,941
General administrative expenses	**33,117**	29,782	**65,792**	68,642
Related company charges	**219,624**	224,004	**432,636**	440,287
	514,005	483,300	**983,958**	954,795
Personnel expenses				
Salaries, allowances and bonuses	**134,458**	140,190	**272,726**	271,193
Employees Provident Fund contributions	**23,138**	24,255	**47,071**	46,451
Share based payment	**6,050**	3,606	**4,138**	5,512
Others	**51,832**	14,134	**69,577**	32,504
	215,478	182,185	**393,512**	355,660
Establishment related expenses				
Depreciation of property and equipment	**13,098**	13,170	**26,261**	25,414
Depreciation of ROU assets	**3,556**	3,585	**7,530**	6,768
Amortisation of intangible assets	**572**	657	**1,213**	1,330
Information technology cost	**4,288**	6,234	**11,951**	12,508
Property and equipment written off	**1**	–	**1**	–
General repairs and maintenance	**4,777**	5,068	**8,578**	8,723
Utilities	**967**	1,413	**1,862**	2,446
Others	**8,073**	6,796	**16,285**	13,752
	35,332	36,923	**73,681**	70,941
Related company charges	**219,624**	224,004	**432,636**	440,287
Of which by:				
(i) Type of service				
- Information technology related cost	**116,518**	116,152	**230,213**	227,040
- Non information technology related cost	**103,106**	107,852	**202,423**	213,247
(ii) Countries/territories				
- Hong Kong	**146,078**	142,328	**286,631**	285,761
- United Kingdom	**39,883**	48,314	**79,289**	86,099
- Malaysia	**17,035**	17,291	**33,899**	34,766
- India	**11,892**	11,214	**24,673**	22,343
- Others	**4,736**	4,857	**8,144**	11,318

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35 Other Operating Expenses (Cont'd)

	Bank			
	Second Quarter		**Six Months Ended**	
	30 Jun 2026	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
	RM'000	RM'000	**RM'000**	RM'000
Personnel expenses	**201,134**	170,844	**370,320**	333,987
Promotion and marketing related expenses	**8,499**	8,323	**14,604**	15,448
Establishment related expenses	**32,326**	33,508	**66,333**	63,758
General administrative expenses	**29,674**	24,828	**56,637**	56,571
Related company charges	**216,592**	220,288	**426,359**	434,955
	488,225	457,791	**934,253**	904,719
Personnel expenses				
Salaries, allowances and bonuses	**126,937**	131,477	**258,192**	254,153
Employees Provident Fund contributions	**21,805**	22,705	**44,482**	43,437
Share based payment	**5,978**	3,584	**4,057**	5,455
Others	**46,414**	13,078	**63,589**	30,942
	201,134	170,844	**370,320**	333,987
Establishment related expenses				
Depreciation of property and equipment	**12,676**	12,818	**25,418**	24,686
Depreciation of ROU assets	**2,205**	2,045	**4,161**	3,748
Amortisation of intangible assets	**572**	657	**1,213**	1,330
Information technology cost	**4,195**	5,782	**10,903**	11,025
Property and equipment written off	**1**	–	**1**	–
General repairs and maintenance	**4,020**	4,418	**7,239**	7,491
Utilities	**738**	1,181	**1,407**	1,996
Others	**7,919**	6,607	**15,991**	13,482
	32,326	33,508	**66,333**	63,758
Related company charges	**216,592**	220,288	**426,359**	434,955
Of which by:				
(i) Type of service				
- Information technology related cost	**116,518**	116,152	**230,213**	227,040
- Non information technology related cost	**100,074**	104,136	**196,146**	207,915
(ii) Countries/territories				
- Hong Kong	**145,062**	142,313	**285,503**	285,744
- United Kingdom	**39,653**	47,906	**78,884**	85,377
- Malaysia	**15,307**	14,156	**29,360**	30,451
- India	**11,841**	11,070	**24,504**	22,079
- Others	**4,729**	4,843	**8,108**	11,304

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

36 Credit Exposure to Connected Parties

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
	RM'000	RM'000	**RM'000**	RM'000
Aggregate value of outstanding credit exposures to connected parties	**3,362,677**	2,823,585	**3,153,121**	2,659,327
As a percentage of total credit exposures	**2.7 %**	2.3 %	**3.1 %**	2.7 %
Aggregate value of outstanding credit exposures to connected parties which is impaired or in default	**–**	–	**–**	–
As a percentage of total credit exposures	**–**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37 Capital Adequacy

	Group	
	30 Jun 2026	31 Dec 2025
	RM'000	RM'000
Common Equity Tier 1 (CET1) capital		
Paid-up ordinary share capital	**1,045,875**	1,045,875
Retained profits	**8,919,133**	8,656,124
Other reserves	**873,886**	898,818
Regulatory adjustments	**(931,896)**	(936,823)
Total CET1 capital	**9,906,998**	9,663,994
Tier 1 capital		
Additional Tier 1 preference shares	**3,183,000**	3,183,000
Total Tier 1 capital	**13,089,998**	12,846,994
Tier 2 capital		
General provisions	**632,165**	619,637
Regulatory adjustments	**56,993**	57,317
Total Tier 2 capital	**689,158**	676,954
Capital base	**13,779,156**	13,523,948
Before deducting proposed dividend		
CET 1 Capital ratio	**16.612%**	16.687%
Tier 1 Capital ratio	**21.949%**	22.183%
Total Capital ratio	**23.104%**	23.352%
After deducting proposed dividend		
CET 1 Capital ratio	**15.613%**	15.787%
Tier 1 Capital ratio	**20.950%**	21.283%
Total Capital ratio	**22.106%**	22.452%

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

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.

For HBMS, a wholly owned subsidiary of the Bank, the total capital and capital adequacy ratios have been computed based on BNM's Capital Adequacy Framework for Islamic Banks related to Capital Components and Risk-Weighted Assets. HBMS has adopted the Standardised Approach for Credit Risk, Market Risk and Operational Risk. 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.

37 Capital Adequacy (Cont'd)

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

	Group	
	30 Jun 2026	31 Dec 2025
	RM'000	RM'000
Total RWA for credit risk	**50,573,213**	49,570,960
Total RWA for market risk	**2,034,556**	1,796,846
Total RWA for operational risk	**6,814,457**	6,546,845
Large exposure risk RWA for equity holdings	**216,913**	–
	59,639,139	57,914,651

	Bank	
	30 Jun 2026	31 Dec 2025
	RM'000	RM'000
Common Equity Tier 1 (CET1) capital		
Paid-up ordinary share capital	**1,045,875**	1,045,875
Retained profits	**6,945,952**	6,798,661
Other reserves	**813,046**	823,615
Regulatory adjustments	**(1,488,886)**	(1,481,964)
Total CET1 capital	**7,315,987**	7,186,187
Tier 1 capital		
Additional Tier 1 preference shares	**3,183,000**	3,183,000
Regulatory adjustments	**(996,063)**	(996,063)
Total Tier 1 capital	**9,502,924**	9,373,124
Tier 2 capital		
General provisions	**486,877**	468,774
Regulatory adjustments	**56,993**	57,317
Total Tier 2 capital	**543,870**	526,091
Capital base	**10,046,794**	9,899,215

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

37 Capital Adequacy (Cont'd)

	Bank	
	30 Jun 2026	31 Dec 2025
Before deducting proposed dividend		
CET 1 Capital ratio	**15.324%**	15.798%
Tier 1 Capital ratio	**19.905%**	20.606%
Total Capital ratio	**21.044%**	21.762%
After deducting proposed dividend		
CET 1 Capital ratio	**14.077%**	14.653%
Tier 1 Capital ratio	**18.658%**	19.461%
Total Capital ratio	**19.797%**	20.617%

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

Breakdown of RWA in the various risk categories:

	Bank	
	30 Jun 2026	31 Dec 2025
	RM'000	RM'000
Total RWA for credit risk [1]	**38,950,168**	37,501,883
Total RWA for market risk	**1,981,630**	1,735,585
Total RWA for operational risk	**6,592,690**	6,250,665
Large exposure risk RWA for equity holdings	**216,913**	–
	47,741,401	45,488,133

[1] The risk weighted amount for credit risk relating to the SIAF/IAA (refer to Note18(i) for more details) are as follows:

	Bank	
	30 Jun 2026	31 Dec 2025
	RM'000	RM'000
Under SIAF/IAA arrangement	**432,416**	475,644

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

38 Commitments and Contingencies

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

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

	Group		*Bank*	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
Principal amount	**RM'000**	RM'000	**RM'000**	RM'000
Direct credit substitutes	**535,024**	448,653	**468,988**	431,070
Transaction-related contingent items	**14,758,240**	13,409,220	**12,906,108**	11,465,683
Short-term self-liquidating trade-related contingencies	**711,548**	270,607	**637,806**	216,693
Formal standby facilities and credit lines				
- Maturity not exceeding one year	**7,531,275**	7,824,400	**6,444,872**	6,662,116
- Maturity exceeding one year	**14,195,915**	14,714,833	**10,524,927**	10,510,797
Other unconditionally cancellable commitments	**22,859,962**	21,983,028	**18,985,609**	18,554,502
Unutilised credit card lines	**14,574,107**	14,583,061	**11,447,141**	11,404,784
Foreign exchange related contracts:				
- Less than one year	**158,486,563**	133,624,941	**158,986,239**	134,414,868
- Over one year to less than five years	**10,605,852**	6,073,770	**10,605,853**	6,068,695
- Over five years	**20,360**	20,303	**20,360**	20,303
Interest/profit rate related contracts:				
- Less than one year	**37,288,527**	19,100,422	**37,968,248**	19,890,519
- Over one year to less than five years	**38,547,523**	32,081,793	**38,785,147**	32,459,577
- Over five years	**4,697,927**	2,685,457	**4,697,927**	2,685,457
Gold and other precious metals contracts:				
- Less than one year	**88,282**	67,103	**88,282**	67,103
Equity related contracts:				
- Less than one year	**2,281,549**	1,169,225	**2,741,379**	1,538,870
- Over one year to less than five years	**2,041,921**	1,678,174	**3,304,560**	2,635,413
	329,224,575	269,734,990	**318,613,446**	259,026,450

of which the amount related to SIAF/IAA arrangement (refer to Note18(i) for more details) are as below:

	Bank	
	30 Jun 2026	31 Dec 2025
	RM'000	RM'000
Formal standby facilities and credit lines:		
- Maturity not exceeding one year	**–**	–
- Maturity exceeding one year	**13,918**	83,873
	13,918	83,873

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

39 Derivative Financial Instruments

Details of derivative financial instruments outstanding are as follows:

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

	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
Group	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**
At 30 Jun 2026	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Trading derivatives:												
Foreign exchange contracts												
- Forwards	154,054,064	2,290,970	–	156,345,034	1,447,661	37,437	–	1,485,098	1,327,962	31,901	–	1,359,863
- Swaps	3,704,980	8,314,882	20,360	12,040,222	82,246	211,947	–	294,193	133,322	138,421	4,343	276,086
- Options	727,519	–	–	727,519	2,448	–	–	2,448	4,416	–	–	4,416
Interest/profit rate related contracts												
- Options	29,072	333,462	–	362,534	–	–	–	–	72	2,250	–	2,322
- Swaps	37,259,455	37,894,061	4,697,927	79,851,443	29,714	89,665	48,397	167,776	32,182	84,839	46,126	163,147
Equity related contracts												
- Options	2,281,549	2,041,921	–	4,323,470	56,955	29,653	–	86,608	83,359	113,710	–	197,069
Precious metal contracts												
- Options	88,282	–	–	88,282	24	–	–	24	328	–	–	328
Sub- total	198,144,921	50,875,296	4,718,287	253,738,504	1,619,048	368,702	48,397	2,036,147	1,581,641	371,121	50,469	2,003,231
Hedging derivatives:												
Fair value hedge												
Interest/profit rate related contracts												
- Swaps	–	320,000	–	320,000	–	2,292	–	2,292	–	–	–	–
Total	198,144,921	51,195,296	4,718,287	254,058,504	1,619,048	370,994	48,397	2,038,439	1,581,641	371,121	50,469	2,003,231

39 Derivative Financial Instruments (Cont'd)

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

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

	Contract / Notional Amount				**Positive Fair Value**				**Negative Fair Value**			
Group	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**
At 31 Dec 2025	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Trading derivatives:												
Foreign exchange contracts												
- Forwards	129,918,795	2,110,028	–	132,028,823	1,341,416	35,088	–	1,376,504	1,439,825	42,367	–	1,482,192
- Swaps	3,231,373	3,963,742	20,303	7,215,418	99,032	176,208	–	275,240	89,087	67,512	2,969	159,568
- Options	474,773	–	–	474,773	831	–	–	831	1,165	–	–	1,165
Interest/profit rate related contracts												
- Options	296,474	310,705	–	607,179	2,124	–	–	2,124	367	1,311	–	1,678
- Swaps	18,803,948	31,471,088	2,685,457	52,960,493	17,087	102,989	24,326	144,402	16,201	104,820	20,625	141,646
Equity related contracts												
- Options	1,169,225	1,678,174	–	2,847,399	29,955	29,063	–	59,018	40,123	42,015	–	82,138
Precious metal contracts												
- Options	67,103	–	–	67,103	7	–	–	7	527	–	–	527
Sub- total	153,961,691	39,533,737	2,705,760	196,201,188	1,490,452	343,348	24,326	1,858,126	1,587,295	258,025	23,594	1,868,914
Hedging derivatives:												
Fair value hedge												
Interest/profit rate related contracts												
- Swaps	–	300,000	–	300,000	–	504	–	504	–	–	–	–
Total	153,961,691	39,833,737	2,705,760	196,501,188	1,490,452	343,852	24,326	1,858,630	1,587,295	258,025	23,594	1,868,914

39 Derivative Financial Instruments (Cont'd)

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

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

	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
Bank	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**
At 30 Jun 2026	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Trading derivatives:												
Foreign exchange contracts												
- Forwards	154,553,740	2,290,971	–	156,844,711	1,420,925	37,437	–	1,458,362	1,318,954	31,901	–	1,350,855
- Swaps	3,704,980	8,314,882	20,360	12,040,222	83,464	211,885	–	295,349	133,372	138,421	4,343	276,136
- Options	727,519	–	–	727,519	2,448	–	–	2,448	4,416	–	–	4,416
Interest rate related contracts												
- Options	368,305	333,462	–	701,767	1,826	–	–	1,826	72	2,250	–	2,322
- Swaps	37,599,943	38,141,685	4,697,927	80,439,555	30,073	89,801	46,953	166,827	32,612	85,918	48,248	166,778
Equity related contracts												
- Options	2,741,379	3,304,560	–	6,045,939	83,370	95,362	–	178,732	99,391	122,798	–	222,189
Precious metal contracts												
- Options	88,282	–	–	88,282	24	–	–	24	328	–	–	328
Sub- total	199,784,148	52,385,560	4,718,287	256,887,995	1,622,130	434,485	46,953	2,103,568	1,589,145	381,288	52,591	2,023,024
Hedging derivatives:												
Fair value hedge												
Interest rate related contracts												
- Swaps	–	310,000	–	310,000	–	2,273	–	2,273	–	–	–	–
Total	199,784,148	52,695,560	4,718,287	257,197,995	1,622,130	436,758	46,953	2,105,841	1,589,145	381,288	52,591	2,023,024

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

39 Derivative Financial Instruments (Cont'd)

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

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

	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
Bank	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**	**Up to 1 Year**	**> 1 - 5 Years**	**> 5 Years**	**Total**
At 31 Dec 2025	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Trading derivatives:												
Foreign exchange contracts												
- Forwards	130,708,722	2,104,953	–	132,813,675	1,324,915	35,078	–	1,359,993	1,422,618	42,367	–	1,464,985
- Swaps	3,231,373	3,963,742	20,303	7,215,418	98,993	175,758	–	274,751	89,087	67,512	2,969	159,568
- Options	474,773	–	–	474,773	831	–	–	831	1,165	–	–	1,165
Interest rate related contracts												
- Options	578,331	371,465	–	949,796	4,154	206	–	4,360	367	1,311	–	1,678
- Swaps	19,312,188	31,788,112	2,685,457	53,785,757	17,218	102,996	21,018	141,232	16,337	107,511	21,159	145,007
Equity related contracts												
- Options	1,538,870	2,635,413	–	4,174,283	63,458	55,778	–	119,236	61,874	45,637	–	107,511
Precious metal contracts												
- Options	67,103	–	–	67,103	7	–	–	7	527	–	–	527
Sub- total	155,911,360	40,863,685	2,705,760	199,480,805	1,509,576	369,816	21,018	1,900,410	1,591,975	264,338	24,128	1,880,441
Hedging derivatives:												
Fair Value hedge												
Interest rate related contracts												
- Swaps	–	300,000	–	300,000	–	504	–	504	–	–	–	–
Total	155,911,360	41,163,685	2,705,760	199,780,805	1,509,576	370,320	21,018	1,900,914	1,591,975	264,338	24,128	1,880,441

40 Performance Review, Economy and Prospects

Performance Review

The Group recorded profit before tax (PBT) of RM1,132.6 million for the financial period ended 30 June 2026, marking an increase of RM71.4 million or 6.7% year-on-year. The increase in PBT is attributed to a RM129.6 million or 6.4% increase in operating income arising from growth in non-net interest income by RM184.3m or 17.0%, partially offset by RM54.7m or 5.8% decreased in net interest income. These are partially offset by a higher operating expenses by RM29.2m or 3.1% with overall cost-income-ratio at 45.7% and higher expected credit losses (ECL) of RM29.0m.

Total assets as at 30 June 2026 has increased by RM0.6 billion or 0.5% to RM108.2 billion (31 December 2025: RM107.7 billion). The Group's capital and liquidity coverage ratios continue to remain strong and well above regulatory requirements.

Economy and Prospects

The global environment remained volatile during the period under review. Despite resilient global growth, rising energy and commodity prices and supply chain disruptions linked to the Middle East conflict weighed on momentum and kept risks elevated.

Against this backdrop, Malaysia recorded firm continued growth driven mainly by sustained domestic demand and strong export performance. Inflation edged higher in the first half of 2026 due to external cost pressures, while core inflation remained stable. Bank Negara Malaysia maintained the Overnight Policy Rate (OPR) at 2.75% for price stability and sustainable growth, while remaining vigilant to evolving developments. Looking ahead, Malaysia is expected to remain resilient despite external headwinds, supported by steady domestic demand, continued electrical and electronics (E&E) export expansion and sustained tourist spending.

Within this operating environment, HSBC Bank Malaysia Berhad (HBMB) and our Islamic banking subsidiary continued to focus on delivering for clients through our international connectivity, transaction banking, wealth and sustainable finance capabilities. During the quarter, HSBC Malaysia strengthened its wealth footprint with the opening of our third all-new Premier Centre in Subang Jaya, following earlier launches in Petaling Jaya and Puchong, to provide more personalised wealth and banking solutions for Premier customers.

HSBC Malaysia has received multiple accolades at The Asset Triple A – Treasurise Awards 2026, including Best Service Provider for Trade Finance (second consecutive win) and Best Transaction Bank. HSBC Amanah was also recognised at the Euromoney Islamic Finance Awards 2026, including being named World's Best, Asia-Pacific's Best and Malaysia's Best Islamic Structured Finance House, as well as Malaysia's Best Islamic Bank for ESG. At HBMB, we remain committed to serving our customers and being the preferred international financial partner for our clients in Malaysia.