HSBC BANK MALAYSIA BERHAD
(Company No.198401015221 (127776-V))
(Incorporated in Malaysia)
Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures
As at 30 June 2026

CHIEF EXECUTIVE OFFICER'S ATTESTATION

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

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DATO' OMAR SIDDIQ BIN AMIN NOER RASHID

Chief Executive Officer
23 July 2026

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

The Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures at 30 June 2026 do not include all of the information required for full (Basel II) Pillar 3 Disclosures, and should be read in conjunction with the unaudited condensed interim financial statements of HSBC Bank Malaysia Berhad (the Bank) and its subsidiaries (collectively known as the Group) for the financial period ended 30 June 2026 as well as its audited financial statements for the year ended 31 December 2025 and the Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Disclosures at 31 December 2025.

The tables attached in the Risk Weighted Capital Adequacy Framework (Basel II) Pillar 3 Interim Disclosures provide an understanding of the quantitative changes relating to Pillar 3 Disclosures of the Group since the financial year ended 31 December 2025. There are no material changes relating to qualitative disclosures during the interim reporting period.

Stress Testing

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

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

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

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

Governance

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

Capital structure

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

- Tier 1 capital [1] is divided into Common Equity Tier 1 (CET1) Capital and Additional Tier 1 (AT1) Capital. CET1 Capital includes ordinary share capital [2], retained earnings, reserves and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes, while AT1 Capital includes qualifying preference shares.

- Tier 2 capital [1], which includes impairment allowances equal to 12-months and lifetime expected credit losses for non-credit impaired loans (commonly known as Stage 1 and 2 provisions), regulatory reserve, and the element of the fair value reserve relating to revaluation of property which are disclosed as regulatory adjustments.

Refer to Note 37 of the unaudited condensed interim financial statements as at 30 June 2026 for the total capital ratio and Tier 1 capital ratio, and risk weighted assets for credit risk, market risk and operational risk.

[1] *Refer to Note 37 of the unaudited condensed interim financial statements as at 30 June 2026 for the amount and breakdown of capital components.*

[2] *Refer to Note 28 of the unaudited condensed interim financial statements as at 30 June 2026 for further details on ordinary share capital. All ordinary shares in issue confer identical rights in respect of capital, dividends and voting.*

1) RWA and Capital Requirement

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

As at 30 June 2026, the RWA risk absorbent for Syndicated Investment Account for Financing (SIAF)/ Investment Agency Account (IAA) in the Bank amounted to RM432m (31 December 2025: RM476m) with principal amount of RM1,534m (31 December 2025: RM1,614m). This amount is reported as asset under management in the books of the Bank's Islamic Subsidiary. At group level, the effect of the RWA risk absorbent profit sharing investment is eliminated.

30 Jun 2026 *Group*

(RM'000)

Exposure Class		Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)					
On-Balance Sheet Exposures					
Sovereigns/Central Banks		38,554,750	38,554,750	1,483,162	118,653
PSEs		1,727,698	1,720,338	394,094	31,528
Banks, DFIs & MDBs		18,215,563	6,177,076	1,754,528	140,362
Corporates		20,904,898	20,273,231	18,490,409	1,479,232
Regulatory Retail		5,357,536	5,339,135	4,082,235	326,579
Residential Mortgages		13,377,968	13,377,968	4,961,011	396,881
Higher Risk Assets		10,398	10,235	15,352	1,228
Other Assets		2,171,642	2,171,642	1,950,992	156,079
Securitisation Exposure		351,159	351,159	263,369	21,070
Equity Exposure		271,534	271,534	271,534	21,723
Defaulted Exposures		711,501	711,022	814,534	65,163
Total for On-Balance Sheet Exposures		101,654,647	88,958,090	34,481,220	2,758,498
Off-Balance Sheet Exposures					
OTC Derivatives		6,474,948	3,926,870	1,893,728	151,498
Off-balance sheet exposures other than OTC derivatives or credit derivatives		19,558,627	18,997,005	14,175,978	1,134,078
Defaulted Exposures		16,860	16,860	22,287	1,783
Total for Off-Balance Sheet Exposures		26,050,435	22,940,735	16,091,993	1,287,359
Total On and Off-Balance Sheet Exposures [1]		127,705,082	111,898,825	50,573,213	4,045,857
Large Exposures Risk Requirement		216,913	216,913	216,913	17,353
Market Risk (Standardised Approach)	Long Position	Short Position			
Interest/Profit Rate Risk	69,344,861	68,159,457	1,185,404	1,551,584	124,126
Foreign Currency Risk	15,001	360,644	360,776	360,776	28,862
Equity Risk	-	-	-	4,075	326
Options Risk	-	-	-	118,121	9,450
	69,359,862	68,520,101	1,546,180	2,034,556	162,764
Operational Risk (Standardised Approach)	-	-	-	6,814,457	545,156
Total RWA and Capital Requirement	-	-	-	59,639,139	4,771,130

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

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

1) RWA and Capital Requirement (Cont'd)

31 Dec 2025 — *Group*

(RM'000)

Exposure Class		Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)					
On-Balance Sheet Exposures					
Sovereigns/Central Banks		42,394,969	42,394,969	1,895,847	151,667
PSEs		1,965,379	1,847,408	433,996	34,720
Banks, DFIs & MDBs		14,162,947	2,689,684	864,077	69,127
Corporates		20,537,795	20,043,895	18,660,699	1,492,856
Regulatory Retail		5,603,575	5,576,449	4,251,932	340,155
Residential Mortgages		13,710,042	13,710,042	5,138,269	411,061
Higher Risk Assets		9,370	9,211	13,817	1,105
Other Assets		1,914,466	1,914,466	1,691,627	135,330
Securitisation Exposure		350,792	350,792	263,094	21,048
Equity Exposure		257,761	257,761	257,761	20,621
Defaulted Exposures		695,914	693,872	793,991	63,519
Total for On-Balance Sheet Exposures		101,603,010	89,488,549	34,265,110	2,741,209
Off-Balance Sheet Exposures					
OTC Derivatives		5,009,232	2,857,826	1,452,659	116,213
Off-balance sheet exposures other than OTC derivatives or credit derivatives		19,030,336	18,460,431	13,832,628	1,106,610
Defaulted Exposures		15,958	15,958	20,563	1,645
Total for Off-Balance Sheet Exposures		24,055,526	21,334,215	15,305,850	1,224,468
Total On and Off-Balance Sheet Exposures [1]		125,658,536	110,822,764	49,570,960	3,965,677
Market Risk (Standardised Approach)	Long Position	Short Position			
Interest/Profit Rate Risk	68,975,088	67,991,513	983,575	1,486,229	118,899
Foreign Currency Risk	33,494	286,388	286,388	286,388	22,911
Equity Risk	-	-	-	2,601	208
Options Risk	-	-	-	21,628	1,730
	69,008,582	68,277,901	1,269,963	1,796,846	143,748
Operational Risk (Standardised Approach)	-	-	-	6,546,845	523,747
Total RWA and Capital Requirement	-	-	-	57,914,651	4,633,172

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

OTC - Over the counter

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

Refer to Note 37 of the unaudited condensed interim financial statements as at 30 June 2026 for disclosure on RWA breakdown by various risk categories.

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

1) RWA and Capital Requirement (Cont'd)

30 Jun 2026 *Bank*

(RM'000)

Exposure Class		Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)					
On-Balance Sheet Exposures					
Sovereigns/Central Banks		31,439,080	31,439,080	1,128,898	90,312
PSEs		1,372,299	1,364,939	276,609	22,129
Banks, DFIs & MDBs		18,258,538	6,678,561	1,505,901	120,472
Corporates		15,491,170	14,934,513	13,791,785	1,103,342
Regulatory Retail		3,552,325	3,538,242	2,668,898	213,512
Residential Mortgages		9,784,949	9,784,949	3,620,058	289,605
Higher Risk Assets		7,417	7,417	11,125	890
Other Assets		2,025,581	2,025,581	1,898,242	151,859
Equity Exposure		271,534	271,534	271,534	21,723
Defaulted Exposures		480,743	480,597	551,199	44,096
Total for On-Balance Sheet Exposures		82,683,636	70,525,413	25,724,249	2,057,940
Off-Balance Sheet Exposures					
OTC Derivatives		6,636,103	3,370,454	1,715,972	137,278
Off-balance sheet exposures other than OTC derivatives or credit derivatives		15,879,444	15,426,814	11,496,153	919,692
Defaulted Exposures		11,026	11,026	13,794	1,104
Total for Off-Balance Sheet Exposures		22,526,573	18,808,294	13,225,919	1,058,074
Total On and Off-Balance Sheet Exposures [1]		105,210,209	89,333,707	38,950,168	3,116,014
Large Exposures Risk Requirement		216,913	216,913	216,913	17,353
Market Risk (Standardised Approach)	**Long Position**	**Short Position**			
Interest/Profit Rate Risk	67,887,506	64,736,106	3,151,400	1,501,017	120,081
Foreign Currency Risk	12,642	358,417	358,417	358,417	28,673
Equity Risk	-	-	-	4,075	326
Options Risk	-	-	-	118,121	9,450
	67,900,148	65,094,523	3,509,817	1,981,630	158,530
Operational Risk (Standardised Approach)	-	-	-	6,592,690	527,415
Total RWA and Capital Requirement	-	-	-	47,741,401	3,819,312

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

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

1) RWA and Capital Requirement (Cont'd)

31 Dec 2025 — *Bank*

(RM'000)

Exposure Class		Gross Exposures	Net Exposures	Risk Weighted Assets (RWA)	Minimum Capital Requirement at 8%
Credit Risk (Standardised Approach)					
On-Balance Sheet Exposures					
Sovereigns/Central Banks		33,091,766	33,091,766	1,527,966	122,237
PSEs		1,496,435	1,378,464	286,149	22,892
Banks, DFIs & MDBs		16,091,083	4,904,993	1,000,421	80,034
Corporates		14,795,708	14,384,041	13,544,056	1,083,525
Regulatory Retail		3,637,661	3,619,404	2,728,674	218,294
Residential Mortgages		10,045,427	10,045,427	3,747,713	299,817
Higher Risk Assets		6,934	6,934	10,401	832
Other Assets		1,747,258	1,747,258	1,628,888	130,311
Equity Exposure		257,761	257,761	257,761	20,621
Defaulted Exposures		456,685	455,052	517,677	41,414
Total for On-Balance Sheet Exposures		81,626,718	69,891,100	25,249,706	2,019,977
Off-Balance Sheet Exposures					
OTC Derivatives		5,123,416	2,594,071	1,339,759	107,181
Off-balance sheet exposures other than OTC derivatives or credit derivatives		15,065,858	14,619,386	10,900,314	872,025
Defaulted Exposures		10,171	10,171	12,104	968
Total for Off-Balance Sheet Exposures		20,199,445	17,223,628	12,252,177	980,174
Total On and Off-Balance Sheet Exposures [1]		101,826,163	87,114,728	37,501,883	3,000,151
Market Risk (Standardised Approach)	Long Position	Short Position			
Interest/Profit Rate Risk	66,063,772	63,481,049	2,582,723	1,430,807	114,465
Foreign Currency Risk	32,717	280,549	280,549	280,549	22,444
Equity Risk	-	-	-	2,601	208
Options Risk	-	-	-	21,628	1,730
	66,096,489	63,761,598	2,863,272	1,735,585	138,847
Operational Risk (Standardised Approach)	-	-	-	6,250,665	500,053
Total RWA and Capital Requirement	-	-	-	45,488,133	3,639,051

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

OTC - Over the counter

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

Refer to Note 37 of the unaudited condensed interim financial statements as at 30 June 2026 for disclosure on RWA breakdown by various risk categories.

2) Risk Weight Profile and RWA

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

30 Jun 2026 — ***Group***

(RM'000)

Risk Weights	**Exposures after Netting and Credit Risk Mitigation**										**Total Exposures after Netting & Credit Risk Mitigation**	**Total Risk Weighted Assets**
	Sovereigns & Central Banks	**PSEs**	**Banks, DFIs & MDBs**	**Corporates**	**Regulatory Retail**	**Residental Mortgages**	**Higher Risk Assets**	**Other Assets**	**Securitisation**	**Equity**		
0%	**31,139,121**	**-**	**-**	**107,955**	**22,144**	**-**	**-**	**220,651**	**-**	**-**	**31,489,871**	**-**
20%	**7,504,868**	**2,880,952**	**5,963,100**	**3,076,600**	**1,573**	**-**	**-**	**-**	**-**	**-**	**19,427,093**	**3,885,418**
35%	**-**	**-**	**-**	**-**	**-**	**14,541,297**	**-**	**-**	**-**	**-**	**14,541,297**	**5,089,454**
50%	**-**	**309,966**	**3,342,467**	**924,186**	**22,052**	**936,091**	**-**	**-**	**-**	**-**	**5,534,762**	**2,767,381**
75%	**-**	**-**	**-**	**-**	**7,930,398**	**556,113**	**-**	**-**	**351,159**	**-**	**8,837,670**	**6,628,253**
100%	**-**	**230,750**	**32,498**	**28,373,722**	**408,699**	**530,787**	**-**	**1,950,992**	**-**	**271,534**	**31,798,982**	**31,798,982**
150%	**-**	**-**	**-**	**41,939**	**152,619**	**62,517**	**12,075**	**-**	**-**	**-**	**269,150**	**403,725**
Total											**111,898,825**	**50,573,213**
Average Risk Weight	**4%**	**28%**	**31%**	**91%**	**77%**	**40%**	**150%**	**90%**	**75%**	**100%**	**45%**	

31 Dec 2025 — *Group*

(RM'000)

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

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

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

30 Jun 2026 — ***Bank***

(RM'000)

Risk Weights	Exposures after Netting and Credit Risk Mitigation										Total Exposures after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
	Sovereigns & Central Banks	PSEs	Banks, DFIs & MDBs	Corporates	Regulatory Retail	Residental Mortgages	Higher Risk Assets	Other Assets	Securitisation	Equity		
0%	**25,794,771**	**-**	**-**	**54,128**	**12,307**	**-**	**-**	**127,340**	**-**	**-**	**25,988,546**	**-**
20%	**5,733,548**	**2,148,686**	**7,540,274**	**2,037,445**	**1,573**	**-**	**-**	**-**	**-**	**-**	**17,461,526**	**3,492,305**
35%	**-**	**-**	**-**	**-**	**-**	**10,907,122**	**-**	**-**	**-**	**-**	**10,907,122**	**3,817,493**
50%	**-**	**155,584**	**2,122,990**	**857,356**	**14,444**	**607,304**	**-**	**-**	**-**	**-**	**3,757,678**	**1,878,839**
75%	**-**	**-**	**-**	**-**	**5,751,319**	**437,170**	**-**	**-**	**-**	**-**	**6,188,489**	**4,641,367**
100%	**-**	**151,934**	**32,498**	**22,009,246**	**100,890**	**386,366**	**-**	**1,898,242**	**-**	**271,534**	**24,850,710**	**24,850,710**
150%	**-**	**-**	**-**	**40,109**	**82,951**	**47,949**	**8,627**	**-**	**-**	**-**	**179,636**	**269,454**
Total											**89,333,707**	**38,950,168**
Average Risk Weight	**4%**	**27%**	**27%**	**92%**	**76%**	**40%**	**150%**	**94%**	**0%**	**100%**	**44%**	

31 Dec 2025 — *Bank*

(RM'000)

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

Note:

MDBs - Multilateral Development Banks

DFIs - Development Financial Institutions

PSEs - Public Sector Entities

3) Credit Risk

Further details on the Group's accounting policies and accounting estimates on impairment assessment for loans, advances and financing can be found in Note 3(l) and 4(b) of the audited financial statements as at 31 December 2025. The disclosures on reconciliation of impairment allowances for loans, advances and financing can be found in Note 20(i) of the unaudited condensed interim financial statements as at 30 June 2026.

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

	30 Jun 2026				
Group (RM'000)	**Northern**	**Southern**	**Central**	**Eastern**	**Total**
Overdrafts/Cash line-i	**64,064**	**70,199**	**384,145**	**13,225**	**531,633**
Term loans/financing					
Housing loans/financing	**2,208,444**	**1,600,124**	**8,895,968**	**539,141**	**13,243,677**
Syndicated term loan/financing	**74,274**	**-**	**1,677,055**	**-**	**1,751,329**
Factoring receivables	**176,215**	**176,431**	**2,160,122**	**-**	**2,512,768**
Hire purchase receivables	**14,407**	**45,478**	**18,395**	**6,590**	**84,870**
Other term loans/financing	**728,720**	**695,758**	**5,130,330**	**171,743**	**6,726,551**
Bills receivables	**973,979**	**1,381,518**	**3,650,424**	**10,215**	**6,016,136**
Trust receipts	**468,810**	**845,208**	**1,656,478**	**6,972**	**2,977,468**
Staff loans/financing	**3,098**	**1,857**	**28,165**	**936**	**34,056**
Credit/charge cards	**730,596**	**628,444**	**2,666,795**	**258,475**	**4,284,310**
Revolving financing	**658,064**	**219,094**	**5,174,654**	**1,003**	**6,052,815**
Other loans/financing	**1,993**	**1,349**	**5,651**	**415**	**9,408**
	6,102,664	**5,665,460**	**31,448,182**	**1,008,715**	**44,225,021**

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

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.

3) Credit Risk (Cont'd)

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

	30 Jun 2026				
Bank (RM'000)	**Northern**	**Southern**	**Central**	**Eastern**	**Total**
Overdrafts	**46,190**	**40,051**	**346,050**	**13,210**	**445,501**
Term loans/financing					
Housing loans/financing	**1,794,224**	**1,245,844**	**6,127,894**	**462,028**	**9,629,990**
Syndicated term loan/financing	**58,950**	**-**	**708,244**	**-**	**767,194**
Factoring receivables	**176,215**	**176,431**	**2,160,122**	**-**	**2,512,768**
Other term loans/financing	**555,118**	**348,270**	**2,551,921**	**97,040**	**3,552,349**
Bills receivables	**870,075**	**1,113,795**	**2,666,041**	**10,215**	**4,660,126**
Trust receipts	**459,180**	**815,937**	**907,347**	**6,972**	**2,189,436**
Staff loans/financing	**2,893**	**1,857**	**27,550**	**936**	**33,236**
Credit/charge cards	**526,410**	**424,462**	**1,951,710**	**213,166**	**3,115,748**
Revolving financing	**453,093**	**198,561**	**4,169,557**	**1,003**	**4,822,214**
Other loans/financing	**1,653**	**1,192**	**3,784**	**347**	**6,976**
	4,944,001	**4,366,400**	**21,620,220**	**804,917**	**31,735,538**

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

3) Credit Risk (Cont'd)

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

	30 Jun 2026				
Group (RM'000)	**Northern**	**Southern**	**Central**	**Eastern**	**Total**
Overdrafts/Cash line-i	**7,991**	**10**	**2,916**	**1,808**	**12,725**
Term loans/financing					
Housing loans/financing	**79,178**	**52,354**	**277,852**	**14,594**	**423,978**
Other term loans/financing	**10,966**	**30,308**	**159,063**	**4,551**	**204,888**
Bills receivables	**2,140**	**-**	**7,820**	**-**	**9,960**
Trust receipts	**2,018**	**-**	**64,825**	**-**	**66,843**
Staff loans/financing	**-**	**-**	**427**	**-**	**427**
Credit/charge cards	**3,835**	**4,751**	**12,926**	**1,551**	**23,063**
Revolving financing	**-**	**15,102**	**85,621**	**-**	**100,723**
Other loans/financing	**1,730**	**1,084**	**4,896**	**294**	**8,004**
	107,858	**103,609**	**616,346**	**22,798**	**850,611**

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

3) Credit Risk (Cont'd)

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

	30 Jun 2026				
Bank (RM'000)	**Northern**	**Southern**	**Central**	**Eastern**	**Total**
Overdrafts	**3,765**	**10**	**2,596**	**1,808**	**8,179**
Term loans/financing					
Housing loans/financing	**67,964**	**41,971**	**172,226**	**13,283**	**295,444**
Other term loans/financing	**7,341**	**24,807**	**82,531**	**4,280**	**118,959**
Bills receivables	**98**	**-**	**7,021**	**-**	**7,119**
Trust receipts	**2,018**	**-**	**64,825**	**-**	**66,843**
Staff loans/financing	**-**	**-**	**427**	**-**	**427**
Credit/charge cards	**2,459**	**2,844**	**8,691**	**1,173**	**15,167**
Revolving financing	**-**	**15,102**	**41,990**	**-**	**57,092**
Other loans/financing	**1,458**	**984**	**3,281**	**233**	**5,956**
	85,103	**85,718**	**383,588**	**20,777**	**575,186**

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

3) Credit Risk (Cont'd)

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

Group (RM'000)	**30 Jun 2026** **Maturing within one year**	**More than one year to three years**	**More than three years to five years**	**More than five years**	**Total**
Overdrafts/Cash line-i	**531,633**	**-**	**-**	**-**	**531,633**
Term loans/financing					
Housing loans/financing	**76,434**	**53,030**	**147,969**	**12,966,244**	**13,243,677**
Syndicated term loan/financing	**66,955**	**1,559,090**	**106,446**	**18,838**	**1,751,329**
Factoring receivables	**2,258,662**	**-**	**224,487**	**29,619**	**2,512,768**
Hire purchase receivables	**6,251**	**43,451**	**35,168**	**-**	**84,870**
Other term loans/financing	**856,168**	**1,544,430**	**2,215,462**	**2,110,491**	**6,726,551**
Bills receivables	**6,006,910**	**-**	**9,226**	**-**	**6,016,136**
Trust receipts	**2,962,408**	**-**	**15,060**	**-**	**2,977,468**
Staff loans/financing	**624**	**3,711**	**9,732**	**19,989**	**34,056**
Credit/charge cards	**4,284,310**	**-**	**-**	**-**	**4,284,310**
Revolving financing	**6,052,815**	**-**	**-**	**-**	**6,052,815**
Other loans/financing	**9,408**	**-**	**-**	**-**	**9,408**
	23,112,578	**3,203,712**	**2,763,550**	**15,145,181**	**44,225,021**

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

3) Credit Risk (Cont'd)

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

	30 Jun 2026				
Bank (RM'000)	**Maturing within one year**	**More than one year to three years**	**More than three years to five years**	**More than five years**	**Total**
Overdrafts	**445,501**	**-**	**-**	**-**	**445,501**
Term loans/financing					
Housing loans/financing	**55,276**	**46,367**	**114,090**	**9,414,257**	**9,629,990**
Syndicated term loan/financing	**49,205**	**602,328**	**96,823**	**18,838**	**767,194**
Factoring receivables	**2,258,662**	**-**	**224,487**	**29,619**	**2,512,768**
Other term loans/financing	**675,465**	**561,390**	**1,315,967**	**999,527**	**3,552,349**
Bills receivables	**4,656,463**	**-**	**3,663**	**-**	**4,660,126**
Trust receipts	**2,189,436**	**-**	**-**	**-**	**2,189,436**
Staff loans/financing	**620**	**3,636**	**9,439**	**19,541**	**33,236**
Credit/charge cards	**3,115,748**	**-**	**-**	**-**	**3,115,748**
Revolving financing	**4,822,214**	**-**	**-**	**-**	**4,822,214**
Other loans/financing	**6,976**	**-**	**-**	**-**	**6,976**
	18,275,566	**1,213,721**	**1,764,469**	**10,481,782**	**31,735,538**

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

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

3) Credit Risk (Cont'd)

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

	30 Jun 2026 Group (RM'000)												
	Overdraft/ Cash line-i	**Housing loans/ financing**	**Syndicated term loans/ financing**	**Factoring receivables**	**Hire purchase receivables**	**Other term loans/ financing**	**Bills receivables**	**Trust receipts**	**Staff loans/ financing**	**Credit/ charge cards**	**Revolving financing**	**Other loans/ financing**	**Total**
Agricultural, hunting, forestry and fishing	**18,740**	**-**	**-**	**-**	**434**	**10,470**	**710**	**20,038**	**-**	**974**	**-**	**55**	**51,421**
Mining and quarrying	**7,212**	**-**	**49,205**	**-**	**-**	**24,123**	**281,308**	**118,353**	**-**	**106**	**170,131**	**-**	**650,438**
Manufacturing	**135,605**	**-**	**101,647**	**404,194**	**33,819**	**1,497,147**	**2,983,038**	**1,624,949**	**-**	**72,439**	**1,209,333**	**73**	**8,062,244**
Electricity, gas and water	**8**	**-**	**-**	**-**	**-**	**257,358**	**1,640**	**-**	**-**	**159**	**258,233**	**-**	**517,398**
Construction	**28,543**	**-**	**376,643**	**-**	**89**	**260,147**	**202,726**	**60,982**	**-**	**2,098**	**810,103**	**290**	**1,741,621**
Real estate	**1,939**	**-**	**102,075**	**-**	**-**	**1,004,785**	**40,626**	**646**	**-**	**3,224**	**344,422**	**7**	**1,497,724**
Wholesale & retail trade and restaurants & hotels	**95,171**	**-**	**69,348**	**1,482,230**	**5,049**	**966,126**	**1,507,953**	**1,067,768**	**-**	**19,594**	**1,132,700**	**2**	**6,345,941**
Transport, storage and communication	**8,568**	**-**	**420,415**	**342,025**	**22,606**	**132,056**	**44,873**	**56,000**	**-**	**854**	**71,286**	**11**	**1,098,694**
Finance, insurance/takaful and business services	**82,819**	**-**	**631,996**	**215,479**	**-**	**1,044,980**	**932,926**	**23,455**	**-**	**15,101**	**1,980,923**	**2**	**4,927,681**
Household-retail	**138,747**	**13,243,677**	**-**	**-**	**-**	**1,507,871**	**2**	**-**	**34,056**	**4,167,410**	**-**	**8,968**	**19,100,731**
Others	**14,281**	**-**	**-**	**68,840**	**22,873**	**21,488**	**20,334**	**5,277**	**-**	**2,351**	**75,684**	**-**	**231,128**
	531,633	**13,243,677**	**1,751,329**	**2,512,768**	**84,870**	**6,726,551**	**6,016,136**	**2,977,468**	**34,056**	**4,284,310**	**6,052,815**	**9,408**	**44,225,021**

	31 Dec 2025 Group (RM'000)												
	Overdraft/ Cash line-i	Housing loans/ financing	Syndicated term loans/ financing	Factoring receivables	Hire purchase receivables	Other term loans/ financing	Bills receivables	Trust receipts	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	18,991	-	-	-	712	11,318	1,288	20,032	-	1,069	-	54	53,464
Mining and quarrying	6,916	-	61,360	-	-	7,301	273,361	118,000	-	147	244,197	-	711,282
Manufacturing	114,812	-	128,890	524,413	45,867	1,499,679	2,827,836	1,447,742	-	56,608	1,121,668	73	7,767,588
Electricity, gas and water	870	-	-	-	-	272,482	6,884	35	-	138	270,513	-	550,922
Construction	41,957	-	410,265	610	163	297,052	189,515	70,401	-	1,988	834,560	283	1,846,794
Real estate	1,890	-	82,542	-	-	837,554	45,624	429	-	379	346,462	65	1,314,945
Wholesale & retail trade and restaurants & hotels	66,324	-	83,253	1,522,713	6,639	826,559	815,331	851,362	-	15,276	678,592	2	4,866,051
Transport, storage and communication	4,977	-	-	334,079	25,156	656,527	90,702	26,158	-	925	126,485	-	1,265,009
Finance, insurance/takaful and business services	28,903	-	604,322	43,604	-	1,130,377	804,203	20,731	-	15,394	2,209,304	1	4,856,839
Household-retail	111,619	13,573,022	-	-	-	1,592,494	4	-	36,787	4,329,990	-	8,945	19,652,861
Others	12,270	-	-	162,970	27,924	22,043	24,995	10,473	-	2,100	78,919	-	341,694
	409,529	13,573,022	1,370,632	2,588,389	106,461	7,153,386	5,079,743	2,565,363	36,787	4,424,014	5,910,700	9,423	43,227,449

3) Credit Risk (Cont'd)

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

30 Jun 2026
Bank (RM'000)

	Overdraft	**Housing loans/ financing**	**Syndicated term loans/ financing**	**Factoring receivables**	**Other term loans/ financing**	**Bills receivables**	**Trust receipts**	**Staff loans/ financing**	**Credit/ charge cards**	**Revolving financing**	**Other loans/ financing**	**Total**
Agricultural, hunting, forestry and fishing	**18,740**	**-**	**-**	**-**	**10,470**	**710**	**20,038**	**-**	**974**	**-**	**55**	**50,987**
Mining and quarrying	**6,496**	**-**	**49,205**	**-**	**24,118**	**272,999**	**118,353**	**-**	**106**	**75,164**	**-**	**546,441**
Manufacturing	**109,093**	**-**	**58,950**	**404,194**	**1,023,088**	**2,522,177**	**1,495,846**	**-**	**72,439**	**1,034,325**	**73**	**6,720,185**
Electricity, gas and water	**8**	**-**	**-**	**-**	**35,562**	**1,640**	**-**	**-**	**159**	**200,042**	**-**	**237,411**
Construction	**20,317**	**-**	**376,643**	**-**	**127,641**	**83,382**	**56,215**	**-**	**2,098**	**390,700**	**290**	**1,057,286**
Real estate	**1,939**	**-**	**102,075**	**-**	**62,999**	**40,626**	**646**	**-**	**3,224**	**219,856**	**7**	**431,372**
Wholesale & retail trade and restaurants & hotels	**84,715**	**-**	**69,348**	**1,482,230**	**762,321**	**1,400,852**	**463,317**	**-**	**19,594**	**986,766**	**2**	**5,269,145**
Transport, storage and communication	**4,517**	**-**	**-**	**342,025**	**83,319**	**37,675**	**6,377**	**-**	**854**	**15,143**	**-**	**489,910**
Finance, insurance/takaful and business services	**69,347**	**-**	**110,973**	**215,479**	**674,960**	**297,866**	**23,455**	**-**	**15,101**	**1,828,551**	**2**	**3,235,734**
Household-retail	**129,016**	**9,629,990**	**-**	**-**	**738,857**	**-**	**-**	**33,236**	**2,998,848**	**-**	**6,547**	**13,536,494**
Others	**1,313**	**-**	**-**	**68,840**	**9,014**	**2,199**	**5,189**	**-**	**2,351**	**71,667**	**-**	**160,573**
	445,501	**9,629,990**	**767,194**	**2,512,768**	**3,552,349**	**4,660,126**	**2,189,436**	**33,236**	**3,115,748**	**4,822,214**	**6,976**	**31,735,538**

31 Dec 2025
Bank (RM'000)

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

3) Credit Risk (Cont'd)

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

	30 Jun 2026 Group (RM'000)									
	Overdraft/ Cash line-i	**Housing loans/ financing**	**Other term loans/ financing**	**Bills receivables**	**Trust receipts**	**Staff loans/ financing**	**Credit/ charge cards**	**Revolving financing**	**Other loans/ financing**	**Total**
Agricultural, hunting, forestry and fishing	**884**	**-**	**1,979**	**-**	**-**	**-**	**-**	**-**	**55**	**2,918**
Mining and quarrying	**2,199**	**-**	**18**	**98**	**-**	**-**	**-**	**-**	**-**	**2,315**
Manufacturing	**1,394**	**-**	**2,648**	**303**	**19,264**	**-**	**-**	**40,000**	**73**	**63,682**
Electricity, gas and water	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**43,631**	**-**	**43,631**
Construction	**2,042**	**-**	**8,751**	**-**	**47,305**	**-**	**-**	**1,990**	**286**	**60,374**
Real estate	**-**	**-**	**16,301**	**-**	**-**	**-**	**-**	**15,102**	**7**	**31,410**
Wholesale & retail trade and restaurants & hotels	**2,298**	**-**	**3,610**	**8,680**	**274**	**-**	**-**	**-**	**2**	**14,864**
Transport, storage and communication	**2**	**-**	**-**	**879**	**-**	**-**	**-**	**-**	**12**	**893**
Finance, insurance/takaful and business services	**3,501**	**-**	**895**	**-**	**-**	**-**	**-**	**-**	**2**	**4,398**
Household-retail	**405**	**423,978**	**170,686**	**-**	**-**	**427**	**23,063**	**-**	**7,567**	**626,126**
	12,725	**423,978**	**204,888**	**9,960**	**66,843**	**427**	**23,063**	**100,723**	**8,004**	**850,611**

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

3) Credit Risk (Cont'd)

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

30 Jun 2026

Bank (RM'000)

	Overdraft	Housing loans/ financing	Other term loans/ financing	Bills receivables	Trust receipts	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	884	-	1,979	-	-	-	-	-	55	2,918
Mining and quarrying	1,483	-	18	98	-	-	-	-	-	1,599
Manufacturing	1,377	-	748	-	19,264	-	-	40,000	73	61,462
Construction	1,730	-	6,149	-	47,305	-	-	1,990	286	57,460
Real estate	-	-	16,301	-	-	-	-	15,102	7	31,410
Wholesale & retail trade and restaurants & hotels	2,298	-	1,489	7,021	274	-	-	-	2	11,084
Transport, storage and communication	2	-	-	-	-	-	-	-	-	2
Finance, insurance/takaful and business services	-	-	368	-	-	-	-	-	2	370
Household-retail	405	295,444	91,907	-	-	427	15,167	-	5,531	408,881
	8,179	295,444	118,959	7,119	66,843	427	15,167	57,092	5,956	575,186

31 Dec 2025

Bank (RM'000)

	Overdraft	Housing loans/ financing	Other term loans/ financing	Bills receivables	Trust receipts	Staff loans/ financing	Credit/ charge cards	Revolving financing	Other loans/ financing	Total
Agricultural, hunting, forestry and fishing	922	-	2,171	-	-	-	-	-	54	3,147
Mining and quarrying	1,512	-	129	184	-	-	-	-	-	1,825
Manufacturing	751	-	725	-	2,018	-	-	-	73	3,567
Electricity, gas and water	917	-	-	2,583	-	-	-	-	-	3,500
Construction	3,053	-	5,766	-	47,355	-	-	1,990	283	58,447
Real estate	-	-	22,687	-	-	-	-	15,427	65	38,179
Wholesale & retail trade and restaurants & hotels	983	-	1,560	7,021	274	-	-	-	2	9,840
Transport, storage and communication	1	-	-	-	-	-	-	-	-	1
Finance, insurance/takaful and business services	-	-	368	-	-	-	-	-	1	369
Household-retail	693	306,119	85,466	-	-	426	14,559	-	4,968	412,231
	8,832	306,119	118,872	9,788	49,647	426	14,559	17,417	5,446	531,106

3) Credit Risk (Cont'd)

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

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
Agricultural, hunting, forestry and fishing	**2,918**	2,226	**2,918**	2,226
Mining and quarrying	**814**	184	**98**	184
Manufacturing	**8,759**	12,536	**6,714**	4,292
Electricity, gas and water	**44,244**	47,105	**613**	3,597
Construction	**74,405**	59,859	**70,012**	59,859
Real estate	**31,500**	38,286	**31,500**	38,286
Wholesale & retail trade and restaurants & hotels	**13,082**	73,048	**11,350**	70,105
Transport, storage and communication	**299**	1,434	**14**	1
Finance, insurance/takaful and business services	**55,082**	6,423	**50,759**	2,265
Household-retail	**1,540,836**	1,634,539	**1,061,959**	1,125,617
	1,771,939	1,875,640	**1,235,937**	1,306,432

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

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
Northern region	**273,370**	287,534	**211,829**	224,498
Southern region	**254,940**	329,455	**194,299**	263,314
Central region	**1,170,259**	1,182,111	**771,209**	756,853
Eastern region	**73,370**	76,540	**58,600**	61,767
	1,771,939	1,875,640	**1,235,937**	1,306,432

Table 8: Impairment allowance breakdown by sector

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
Agricultural, hunting, forestry and fishing	**496**	499	**495**	498
Mining and quarrying	**59**	283	**50**	280
Manufacturing	**22,512**	9,437	**18,445**	5,168
Electricity, gas and water	**44,232**	45,549	**187**	1,743
Construction	**48,794**	49,221	**47,716**	48,266
Real estate	**11,491**	18,157	**9,691**	17,326
Wholesale & retail trade and restaurants & hotels	**11,151**	11,612	**5,988**	6,120
Transport, storage and communication	**1,525**	1,126	**553**	392
Finance, insurance/takaful and business services	**3,796**	2,745	**1,614**	998
Household-retail	**325,673**	327,264	**175,935**	182,068
Others	**258**	553	**46**	71
	469,987	466,446	**260,720**	262,930

Table 9: Impairment allowance breakdown by geographical location

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
Northern region	**47,724**	48,704	**28,251**	30,764
Southern region	**59,552**	66,397	**37,516**	46,575
Central region	**348,739**	337,768	**185,892**	176,418
Eastern region	**13,972**	13,577	**9,061**	9,173
	469,987	466,446	**260,720**	262,930

[1] Past due loans, advances and financing refers to loans, advances and financing for which principal and/or interest/profit repayments are due under contractual terms but are received either partially or after the contractual dates. The amounts impaired by sector and geographical location is disclosed in Note 19 (ii) and 19 (iv) of the unaudited condensed interim financial statements as at 30 June 2026 respectively.

The breakdown of loan/financing impairment allowance during the year is disclosed in Note 20 (i) of the unaudited condensed interim financial statements as at 30 June 2026.

3) Credit Risk (Cont'd)

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

	Group (RM'000)		Bank (RM'000)	
(Releases) / Charges	**30 Jun 2026**	30 Jun 2025	**30 Jun 2026**	30 Jun 2025
Agricultural, hunting, forestry and fishing	**(3)**	1	**(3)**	27
Mining and quarrying	**(226)**	103	**(231)**	80
Manufacturing	**8,667**	(1,450)	**8,873**	223
Electricity, gas and water	**(1,441)**	157	**(1,556)**	(10)
Construction	**477**	(2,954)	**355**	(2,316)
Real estate	**(6,675)**	(6,008)	**(7,640)**	(5,767)
Wholesale & retail trade and restaurants & hotels	**(484)**	19	**(151)**	(615)
Transport, storage and communication	**397**	(1,897)	**161**	(652)
Finance, insurance/takaful and business services	**1,046**	(8)	**609**	(131)
Household-retail	**50,336**	24,682	**31,300**	13,097
Others	**(289)**	(312)	**(25)**	(284)
	51,805	12,333	**31,692**	3,652

The breakdown of loan/financing net impairment allowance during the year is disclosed in Note 34 (i) of the unaudited condensed interim financial statements as at 30 June 2026.

3) Credit Risk (Cont'd)

i) External Credit Assessment Institutions (ECAIs)

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

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

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

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

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

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

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

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

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

30 Jun 2026
Group (RM '000)

Exposure Class		Ratings by Approved ECAIs						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	B1 to B3	Caa1 to C	Unrated
	S & P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to BB3	B1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	C+ to D	Unrated
On and Off-Balance Sheet Exposures								
Sovereign and Central Banks [1]		605,631	23,199,092	14,874,327	-	-	-	-
PSEs		1,054,612	246,890	58,100	-	-	-	2,071,904
Banks, MDBs and DFIs		7,793,264	7,520,771	6,879,343	2,662	-	-	1,625,545
Corporates		3,070,959	944,939	330,841	-	-	-	29,402,221
Securitisation		-	-	-	-	-	-	351,159

31 Dec 2025
Group (RM '000)

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

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

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

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

3) Credit Risk (Cont'd)

i) ECAIs (Cont'd)

30 Jun 2026
Bank (RM '000)

Exposure Class	Ratings by Approved ECAIs							
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to Ba3	B1 to B3	Caa1 to C	Unrated
	S & P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to BB3	B1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to BB-	B+ to B-	C+ to D	Unrated
On and Off-Balance Sheet Exposures								
Sovereign and Central Banks [1]		605,631	17,903,033	13,054,716	-	-	-	-
PSEs		556,663	155,584	58,100	-	-	-	1,695,696
Banks, MDBs and DFIs		10,135,419	6,268,680	6,711,947	2,224	-	-	1,320,073
Corporates		2,038,047	881,849	330,841	-	-	-	22,788,696

31 Dec 2025
Bank (RM '000)

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

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

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

3) Credit Risk (Cont'd)

ii) Credit Risk Mitigation (CRM)

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

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

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

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

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

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

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

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

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

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

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

30 Jun 2026
Group (RM'000)

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	38,554,750	-	-	-
PSEs	1,727,698	-	7,360	-
Banks, DFIs & MDBs	18,215,563	-	12,038,487	-
Corporates	20,904,898	558,337	631,667	-
Regulatory Retail	5,357,536	19,481	18,401	-
Residential Mortgages	13,377,968	-	-	-
Higher Risk Assets	10,398	-	163	-
Other Assets	2,171,642	-	-	-
Securitisation Exposures	351,159	-	-	-
Equity Exposure	271,534	-	-	-
Defaulted Exposures	711,501	4,057	479	-
Total for On-Balance Sheet Exposures	101,654,647	581,875	12,696,557	-
Off-Balance Sheet Exposures				
OTC Derivatives	6,474,948	-	112,614	2,435,464
Off-balance sheet exposures other than OTC derivatives or credit derivatives	19,558,627	339,916	561,622	-
Defaulted Exposures	16,860	-	-	-
Total for Off-Balance Sheet Exposures	26,050,435	339,916	674,236	2,435,464
Total On and Off-Balance Sheet Exposures	127,705,082	921,791	13,370,793	2,435,464

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

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

31 Dec 2025
Group (RM'000)

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

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

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

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

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

30 Jun 2026
Bank (RM'000)

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees / Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	31,439,080	-	-	-
PSEs	1,372,299	-	7,360	-
Banks, DFIs & MDBs	18,258,538	-	11,579,977	-
Corporates	15,491,170	266,628	556,657	-
Regulatory Retail	3,552,325	12,085	14,083	-
Residential Mortgages	9,784,949	-	-	-
Higher Risk Assets	7,417	-	-	-
Other Assets	2,025,581	-	-	-
Equity Exposure	271,534	-	-	-
Defaulted Exposures	480,743	529	146	-
Total for On-Balance Sheet Exposures	82,683,636	279,242	12,158,223	-
Off-Balance Sheet Exposures				
OTC Derivatives	6,636,103	-	830,185	2,435,464
Off-balance sheet exposures other than OTC derivatives or credit derivatives	15,879,444	288,454	452,630	-
Defaulted Exposures	11,026	-	-	-
Total for Off-Balance Sheet Exposures	22,526,573	288,454	1,282,815	2,435,464
Total On and Off-Balance Sheet Exposures	105,210,209	567,696	13,441,038	2,435,464

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

3) Credit Risk (Cont'd)

ii) CRM (Cont'd)

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

31 Dec 2025
Bank (RM'000)

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

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

3) Credit Risk (Cont'd)

iii) Counterparty Credit Risk (CCR)

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

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

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

The table below shows the credit equivalent amounts and risk weighted amounts of unmatured off-balance sheet transactions at reporting date.

Group (RM'000)

	30 Jun 2026		31 Dec 2025	
Description	**Credit Equivalent Amount**	**Risk Weighted Assets**	Credit Equivalent Amount	Risk Weighted Assets
Direct credit substitutes	**535,023**	**256,549**	448,653	228,208
Transaction-related contingent items	**7,379,120**	**5,346,051**	6,704,610	4,789,845
Short-term self-liquidating trade-related contingencies	**142,309**	**131,232**	54,122	43,007
Formal standby facilities and credit lines				
- Maturity not exceeding one year	**1,506,255**	**1,453,318**	1,564,880	1,491,054
- Maturity exceeding one year	**7,097,958**	**4,824,999**	7,357,417	5,113,617
Unutilised credit card lines	**2,914,821**	**2,186,116**	2,916,612	2,187,460
Foreign exchange related contracts:				
- Less than one year	**1,662,845**	**954,338**	882,328	520,149
- Over one year to less than five years	**80,965**	**76,455**	93,061	86,389
- Over five years	**2,619**	**2,619**	2,619	2,619
Interest/profit rate related contracts:				
- Less than one year	**1,325**	**1,032**	2,407	2,352
- Over one year to less than five years	**63,007**	**22,026**	35,761	7,524
- Over five years	**18,339**	**18,339**	22,623	22,623
Equity related contracts:				
- Less than one year	**3,425**	**685**	-	-
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	**4,642,424**	**818,234**	3,970,433	811,003
Total	**26,050,435**	**16,091,993**	24,055,526	15,305,850

Refer to Note 38 and Note 39 of the unaudited condensed interim financial statements as at 30 June 2026 for disclosure on the principal amounts of the off-balance sheet transaction and positive fair value of derivatives contracts.

3) Credit Risk (Cont'd)

iii) CCR (Cont'd)

The table below shows the credit equivalent amounts and risk weighted amounts of unmatured off-balance sheet transactions at reporting date.

Bank (RM'000)	**30 Jun 2026**		31 Dec 2025	
Description	**Credit Equivalent Amount**	**Risk Weighted Assets**	Credit Equivalent Amount	Risk Weighted Assets
Direct credit substitutes	**468,988**	**219,133**	431,070	220,533
Transaction-related contingent items	**6,453,054**	**4,723,634**	5,732,842	4,154,816
Short-term self-liquidating trade-related contingencies	**127,561**	**121,526**	43,339	32,360
Formal standby facilities and credit lines				
- Maturity not exceeding one year	**1,288,974**	**1,255,836**	1,332,423	1,278,979
- Maturity exceeding one year	**5,262,464**	**3,472,747**	5,255,399	3,515,012
Unutilised credit card lines	**2,289,428**	**1,717,071**	2,280,957	1,710,718
Foreign exchange related contracts:				
- Less than one year	**1,619,272**	**796,049**	854,405	426,975
- Over one year to less than five years	**80,884**	**75,327**	92,685	84,687
- Over five years	**2,619**	**2,619**	2,619	2,619
Interest/profit rate related contracts:				
- Less than one year	**4,379**	**1,032**	6,229	2,459
- Over one year to less than five years	**65,818**	**22,026**	39,820	7,637
- Over five years	**16,896**	**-**	19,314	538
Equity related contracts:				
- Less than one year	**43,060**	**685**	34,941	973
- Over one year to less than five years	**160,752**	**-**	102,969	2,868
OTC Derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	**4,642,424**	**818,234**	3,970,433	811,003
Total	**22,526,573**	**13,225,919**	20,199,445	12,252,177

Refer to Note 38 and Note 39 of the unaudited condensed interim financial statements as at 30 June 2026 for disclosure on the principal amounts of the off-balance sheet transaction and positive fair value of derivatives contracts.

3) Credit Risk (Cont'd)

iv) Securitisation

The Bank currently does not have any securitisation activities.

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

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

30 Jun 2026
Group (RM'000)

Securitisation Exposures by Exposure Type	Exposure Value of Positions Purchased or Retained	Eligible CRM	Exposure after CRM	Risk Weights of Unrated Securitisation Exposures 75% (Look-through)	
				Exposures	Risk Weighted Assets
Traditional Securitisation (Banking book exposures)					
Non-originating Banking Institution					
On-Balance Sheet Exposure - Most Senior	**350,277**	**-**	**351,159**	**351,159**	**263,369**

31 Dec 2025
Group (RM'000)

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

4) Interest Rate Risk/Profit Rate Risk

Sensitivity of projected Net Interest/Finance Income

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

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

	Group (RM'000)			
	30 Jun 2026		31 Dec 2025	
Basis point parallel shift in yield curves	*+ 100 bps*	*- 100 bps*	*+ 100 bps*	*- 100 bps*
MYR	**177,372**	**(115,592)**	206,863	(120,256)
USD	**68,492**	**(55,405)**	86,997	(90,715)
Others	**28,872**	**(26,408)**	29,498	(28,346)
	274,736	**(197,405)**	323,358	(239,317)

	Bank (RM'000)			
	30 Jun 2026		31 Dec 2025	
Basis point parallel shift in yield curves	*+ 100 bps*	*- 100 bps*	*+ 100 bps*	*- 100 bps*
MYR	**127,477**	**(85,399)**	151,216	(94,145)
USD	**60,372**	**(49,014)**	81,738	(85,182)
Others	**25,779**	**(23,184)**	27,698	(26,460)
	213,628	**(157,597)**	260,652	(205,787)

Sensitivity of projected Economic value of equity (EVE)

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

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

	Group (RM'000)			
	30 Jun 2026		31 Dec 2025	
Basis point parallel shift in yield curves	*+ 200 bps*	*- 200 bps*	*+ 200 bps*	*- 200 bps*
MYR	**(267,664)**	**152,067**	(307,519)	177,863
USD	**(24,640)**	**14,131**	(11,225)	6,437
Others	**6,585**	**(15,723)**	4,281	(10,427)
	(285,719)	**150,475**	(314,463)	173,873

	Bank (RM'000)			
	30 Jun 2026		31 Dec 2025	
Basis point parallel shift in yield curves	*+ 200 bps*	*- 200 bps*	*+ 200 bps*	*- 200 bps*
MYR	**(187,156)**	**105,486**	(199,728)	115,640
USD	**(24,756)**	**14,105**	(9,988)	5,529
Others	**4,712**	**(12,497)**	3,362	(7,919)
	(207,200)	**107,094**	(206,354)	113,250

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

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

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

	Group (RM'000)			
	30 Jun 2026		31 Dec 2025	
Basis point parallel shift in yield curves	*+ 100 bps*	*- 100 bps*	*+ 100 bps*	*- 100 bps*
MYR	**(201,370)**	**201,370**	(251,719)	251,719
USD	**(21,248)**	**21,248**	(13,943)	13,943
	(222,618)	**222,618**	(265,662)	265,662

	Bank (RM'000)			
	30 Jun 2026		31 Dec 2025	
Basis point parallel shift in yield curves	*+ 100 bps*	*- 100 bps*	*+ 100 bps*	*- 100 bps*
MYR	**(178,879)**	**178,879**	(221,912)	221,912
USD	**(21,248)**	**21,248**	(13,943)	13,943
	(200,127)	**200,127**	(235,855)	235,855

5) Equities

As at 30 June 2026, the Group does not hold any quoted shares. The Group's holding of unquoted shares at 30 June 2026 was mainly of shares held for the purpose of gaining strategic advantage. These shares are not held for capital gains and are recorded based on net tangible assets or internal share value as measurement of fair value. The unquoted equities are risk weighted at 100% or 150% as per Risk Weighted Capital Adequacy Framework (Basel II).

Refer to Note 16 of the unaudited condensed interim financial statements as at 30 June 2026 on the Group's holdings of equity investments and Note 3(j) on the accounting policies of equity investment.

6) Liquidity

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

The LCR% presented below indicate the rolling 12 months average based on BNM's guidelines on Liquidity Risk Disclosure dated 15 October 2024. As of 30 June 2026, the Group has maintained sound liquidity levels above regulatory requirements.

	Group (RM'000)		Bank (RM'000)	
	30 Jun 2026	31 Dec 2025	**30 Jun 2026**	31 Dec 2025
LCR%, at rolling 12 months average	**264**	265	**263**	265

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

Overview

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

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

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

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

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

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

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

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

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

7) Shariah Governance (Cont'd)

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

f. Shariah Department

i) Shariah Review

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

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

ii) Shariah Risk Stewardship

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

iii) Shariah Research and Advisory

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

iv) Shariah Secretariat

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

v) Product and Skills Development

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

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

Quantitative Disclosure

a. Shariah Non-Compliant Events:

During the financial period ended 30 June 2026, one (1) actual Shariah non-compliant event was identified.

b. Shariah Non-Compliant Income:

During the financial period ended 30 June 2026, the following amounts are recorded:

i) RM129,110 income received from Shariah non-compliant activities have been transferred to the Shariah Penalty & Impure Income Account (the Account). The amount in the Account is reported net of income tax liabilities.

ii) RM442,120 was donated from the Account for charitable purposes.

For the financial period ended 30 June 2026, no Shariah non-compliant income was refunded directly to the affected customers (31 December 2025: RM641,334).