

UNITED OVERSEAS BANK (MALAYSIA) BHD
Company No. 199301017069 (271809K)
AND ITS SUBSIDIARY COMPANIES
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
30 JUNE 2025

Domiciled in Malaysia
Registered Office:
Level 22, UOB Plaza 1
No. 7, Jalan Raja Laut,
50350 Kuala Lumpur

UNITED OVERSEAS BANK (MALAYSIA) BHD
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025

		Group		Bank	
	Note	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds	12	6,685,546	6,489,396	6,685,546	6,489,396
Deposits and placements with financial institutions	13	-	99,943	-	99,943
Securities purchased under resale agreements		1,771,150	974,044	1,771,150	974,044
Financial assets at fair value through profit or loss ("FVTPL")	14	6,415,615	6,306,246	6,415,615	6,306,246
Debt instruments at fair value through other comprehensive income ("FVOCI")	15	18,384,693	16,407,312	18,384,693	16,407,312
Equity instruments at fair value through other comprehensive income ("FVOCI")	16	159,824	174,161	159,824	174,161
Debt Instruments at amortised cost	17	9,881,071	9,958,972	9,881,071	9,958,972
Loans, advances and financing	18	108,121,001	107,097,437	108,501,164	107,397,066
Derivative financial assets	19	2,239,465	1,305,213	2,239,465	1,305,213
Other assets	20	1,736,067	1,965,565	1,770,959	1,979,739
Statutory deposits with Bank Negara Malaysia		831,000	1,610,000	831,000	1,610,000
Investment in subsidiaries		-	-	270,020	350,020
Investment in an associate		418	418	4,758	4,758
Property, plant and equipment		1,421,442	1,420,049	679,633	674,137
Right-of-use assets		80,498	90,977	493,635	492,741
Intangible assets	21	446,624	453,174	446,624	453,174
Deferred tax assets		309,030	390,844	299,408	381,222
TOTAL ASSETS		158,483,444	154,743,751	158,834,565	155,058,144
LIABILITIES					
Deposits from customers	22	118,543,828	114,585,585	118,571,948	114,604,083
Deposits and placements of banks and other financial institutions	23	13,898,795	14,632,820	13,898,815	14,632,840
Obligations on securities sold under repurchase agreements		1,118,525	1,973,281	1,118,525	1,973,281
Bills and acceptances payable		247,064	230,992	247,064	230,992
Derivative financial liabilities	19	2,348,233	1,360,345	2,348,233	1,360,345
Other liabilities	24	4,595,056	4,527,486	4,583,160	4,506,958
Lease liabilities		89,339	98,910	537,205	529,799
Tax payable		141,668	37,101	143,292	37,611
Subordinated bonds/sukuk	25	2,249,897	2,249,352	2,249,897	2,249,352
Deferred tax liabilities		27,090	27,090	-	-
TOTAL LIABILITIES		143,259,495	139,722,962	143,698,139	140,125,261

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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION (Cont'd.)
AS AT 30 JUNE 2025

		Group		Bank	
	Note	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
		RM'000	RM'000	RM'000	RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
Share capital		792,555	792,555	792,555	792,555
Reserves		14,431,394	14,228,234	14,343,871	14,140,328
TOTAL EQUITY		15,223,949	15,020,789	15,136,426	14,932,883
TOTAL LIABILITIES AND EQUITY		158,483,444	154,743,751	158,834,565	155,058,144
COMMITMENTS AND CONTINGENCIES	34	372,202,593	301,684,329	372,202,593	301,684,329

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

Company No. 199301017069 (271809K)

UNITED OVERSEAS BANK (MALAYSIA) BHD
(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

Group	Note	Second Quarter Ended		Six Months Ended	
		30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
Operating revenue	26	2,292,556	2,253,073	4,553,222	4,560,519
Interest income	27	1,663,574	1,664,404	3,310,003	3,344,559
Interest expense	28	(890,355)	(955,987)	(1,774,962)	(1,944,830)
Net interest income		773,219	708,417	1,535,041	1,399,729
Net income from Islamic					
Banking operations	38	44,738	46,540	90,141	90,958
Other operating income	29	394,404	374,990	800,678	808,712
Operating income		1,212,361	1,129,947	2,425,860	2,299,399
Other operating expenses	30	(584,072)	(600,426)	(1,151,711)	(1,168,825)
Operating profit before allowance for expected credit losses ("ECL")		628,289	529,521	1,274,149	1,130,574
Write-back of/(allowance for)					
ECL on:					
- Loans, advances and financing	31	97,162	74,056	66,282	67,645
- Other financial assets	31	14,583	(4,547)	24,849	10,443
- Commitments and contingencies	31	(14,874)	11,556	25,769	30,627
Profit before taxation		725,160	610,586	1,391,049	1,239,289
Income tax expense		(175,787)	(162,494)	(335,982)	(312,864)
Profit for the financial period attributable to equity holders of the Bank		549,373	448,092	1,055,067	926,425
Basic/diluted earnings per share (sen)		116.9	95.3	224.5	197.1

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

Company No. 199301017069 (271809K)

UNITED OVERSEAS BANK (MALAYSIA) BHD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF PROFIT OR LOSS (Cont'd.)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

Bank	Note	Second Quarter Ended		Six Months Ended	
		30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
Operating revenue	26	2,296,165	2,256,495	4,560,810	4,566,885
Interest income	27	1,667,596	1,668,116	3,317,800	3,352,135
Interest expense	28	(894,971)	(960,585)	(1,783,665)	(1,953,289)
Net interest income		772,625	707,531	1,534,135	1,398,846
Net income from Islamic					
Banking operations	38	44,738	46,540	90,141	90,958
Other operating income	29	394,016	374,700	800,520	807,538
Operating income		1,211,379	1,128,771	2,424,796	2,297,342
Other operating expenses	30	(583,654)	(598,391)	(1,149,747)	(1,166,657)
Operating profit before allowance for ECL		627,725	530,380	1,275,049	1,130,685
Write-back of/(allowance for) ECL on:					
- Loans, advances and financing	31	96,647	73,857	65,752	67,049
- Other financial assets	31	14,609	(4,582)	24,862	10,381
- Commitments and contingencies	31	(14,874)	11,556	25,769	30,627
Profit before taxation		724,107	611,211	1,391,432	1,238,742
Income tax expense		(175,787)	(162,298)	(335,982)	(312,636)
Profit for the financial period attributable to equity holders of the Bank		548,320	448,913	1,055,450	926,106
Basic/diluted earnings per share (sen)		116.7	95.5	224.6	197.0

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

Company No. 199301017069 (271809K)

UNITED OVERSEAS BANK (MALAYSIA) BHD
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**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

Group	Second Quarter Ended		Six Months Ended	
	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
Profit for the financial period	549,373	448,092	1,055,067	926,425
<i>Other comprehensive income/(loss):</i>				
<u>Items that may be reclassified subsequently to statements of profit or loss:</u>				
Net fair value changes in debt instruments at FVOCI	90,594	13,530	98,896	(1,157)
Income tax effect	(21,742)	(3,246)	(23,735)	(152)
	68,852	10,284	75,161	(1,309)
<u>Items that will not be reclassified subsequently to statements of profit or loss:</u>				
Net fair value changes in equity instruments at FVOCI	(14,187)	(43,901)	(14,337)	(43,895)
Gains on disposal of equity instruments at FVOCI	798	-	798	-
Income tax effect	3,405	10,535	3,441	10,534
	(9,984)	(33,366)	(10,098)	(33,361)
Other comprehensive income/(loss) for the financial period, net of tax	58,868	(23,082)	65,063	(34,670)
Total comprehensive income for the financial period attributable to equity holders	608,241	425,010	1,120,130	891,755

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

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UNITED OVERSEAS BANK (MALAYSIA) BHD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME (Cont'd.)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

Bank	Second Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Profit for the financial period	548,320	448,913	1,055,450	926,106
<i>Other comprehensive income/(loss):</i>				
<u>Items that may be reclassified subsequently to statements of profit or loss:</u>				
Net fair value changes in debt instruments at FVOCI	90,594	13,530	98,896	(1,157)
Income tax effect	(21,742)	(3,246)	(23,735)	(152)
	68,852	10,284	75,161	(1,309)
<u>Items that will not be reclassified subsequently to statements of profit or loss:</u>				
Net fair value changes in equity instruments at FVOCI	(14,187)	(43,901)	(14,337)	(43,895)
Gains on disposal of equity instruments at FVOCI	798	-	798	-
Income tax effect	3,405	10,535	3,441	10,534
	(9,984)	(33,366)	(10,098)	(33,361)
Other comprehensive income/(loss) for the financial period, net of tax	58,868	(23,082)	65,063	(34,670)
Total comprehensive income for the financial period attributable to equity holders	607,188	425,831	1,120,513	891,436

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

Company No. 199301017069 (271809K)

UNITED OVERSEAS BANK (MALAYSIA) BHD

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

Group	← <i>Non-distributable</i> →			<i>Distributable</i>	Total RM'000
	Share capital RM'000	Revaluation reserves RM'000	FVOCI reserve RM'000	Retained profits RM'000	
At 1 January 2025	792,555	233,477	92,062	13,902,695	15,020,789
Profit for the financial period	-	-	-	1,055,067	1,055,067
Other comprehensive income	-	-	65,063	-	65,063
Total comprehensive income for the financial period	-	-	65,063	1,055,067	1,120,130
Transfer upon the disposal of equity instruments at FVOCI	-	-	(798)	798	-
Transaction with shareholders:					
Dividend paid					
- Final dividend for the financial year ended 31 December 2024	-	-	-	(916,970)	(916,970)
At 30 June 2025	792,555	233,477	156,327	14,041,590	15,223,949

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

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UNITED OVERSEAS BANK (MALAYSIA) BHD

(Incorporated in Malaysia)

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (Cont'd.)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

Group (cont'd.)	← <i>Non-distributable</i> →			<i>Distributable</i>	Total RM'000
	Share capital RM'000	Revaluation reserves RM'000	FVOCI reserve RM'000	Retained profits RM'000	
At 1 January 2024	792,555	233,477	79,393	12,996,815	14,102,240
Profit for the financial period	-	-	-	926,425	926,425
Other comprehensive loss	-	-	(34,670)	-	(34,670)
Total comprehensive (loss)/income for the financial period	-	-	(34,670)	926,425	891,755
Transaction with shareholders:					
Dividend paid					
- Final dividend for the financial year ended 31 December 2023	-	-	-	(771,270)	(771,270)
At 30 June 2024	792,555	233,477	44,723	13,151,970	14,222,725

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

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UNITED OVERSEAS BANK (MALAYSIA) BHD

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**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (Cont'd.)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

Bank	Share capital RM'000	Non- distributable FVOCI reserve RM'000	Distributable Retained profits RM'000	Total RM'000
At 1 January 2025	792,555	85,159	14,055,169	14,932,883
Profit for the financial period	-	-	1,055,450	1,055,450
Other comprehensive income	-	65,063	-	65,063
Total comprehensive income for the financial period	-	65,063	1,055,450	1,120,513
Transfer upon the disposal of equity instruments at FVOCI	-	(798)	798	-
Transaction with shareholders:				
Dividend paid				
- Final dividend for the financial year ended 31 December 2024	-	-	(916,970)	(916,970)
At 30 June 2025	792,555	149,424	14,194,447	15,136,426

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

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**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (Cont'd.)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

Bank (cont'd.)	Share capital RM'000	Non- distributable FVOCI reserve RM'000	Distributable Retained profits RM'000	Total RM'000
At 1 January 2024	792,555	72,490	13,159,032	14,024,077
Profit for the financial period	-	-	926,106	926,106
Other comprehensive loss	-	(34,670)	-	(34,670)
Total comprehensive (loss)/income for the financial period	-	(34,670)	926,106	891,436
Transaction with shareholders:				
Dividend paid				
- Final dividend for the financial year ended 31 December 2023	-	-	(771,270)	(771,270)
At 30 June 2024	792,555	37,820	13,313,868	14,144,243

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

UNITED OVERSEAS BANK (MALAYSIA) BHD
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CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Group		Bank	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	1,391,049	1,239,289	1,391,432	1,238,742
Adjustments for non-operating and non-cash items	(824,963)	(905,867)	(810,049)	(892,363)
Operating profit before working capital changes	566,086	333,422	581,383	346,379
Changes in working capital:				
Net changes in operating assets	(1,794,197)	(2,306,836)	(1,895,966)	(2,312,254)
Net changes in operating liabilities	3,813,345	1,583,313	3,831,599	1,592,482
Tax paid	(169,895)	(273,685)	(168,781)	(273,354)
Net cash generated from/(used in) operating activities	2,415,339	(663,786)	2,348,235	(646,747)
Net cash (used in)/generated from investing activities	(1,405,722)	2,982,059	(1,320,791)	2,982,248
Net cash used in financing activities	(929,465)	(281,161)	(947,292)	(298,389)
Net increase in cash and cash equivalents	80,152	2,037,112	80,152	2,037,112
Cash and cash equivalents at beginning of the financial period	6,607,376	6,050,313	6,607,376	6,050,313
Cash and cash equivalents at end of the financial period before allowance for ECL	6,687,528	8,087,425	6,687,528	8,087,425
Analysis of cash and cash equivalents				
Cash and short-term funds	6,687,528	7,087,425	6,687,528	7,087,425
Deposits and placements with financial institutions	-	1,000,000	-	1,000,000
	6,687,528	8,087,425	6,687,528	8,087,425
Less: Allowance for ECL	(1,982)	(15,949)	(1,982)	(15,949)
	6,685,546	8,071,476	6,685,546	8,071,476

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

UNITED OVERSEAS BANK (MALAYSIA) BHD

(Incorporated in Malaysia)

EXPLANATORY NOTES

1. BASIS OF PREPARATION

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB").

The unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2024. The explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial positions and performance of the Group and of the Bank since the financial year ended 31 December 2024.

The unaudited condensed interim financial statements of the Group include Islamic Banking operations. Islamic Banking operations refer generally to the acceptance of deposits, granting of financing, and dealing in Islamic securities under the Shariah Principles.

The material accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2024, except for the adoption of the following amendments to Malaysia Financial Reporting Standards ("MFRSs").

Effective for financial periods beginning on or after 1 January 2025

- Lack of Exchangeability (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)

Effective for financial periods beginning on or after 1 January 2026

- Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)

Effective for financial periods beginning on or after 1 January 2027

- MFRS 18 *Presentation and Disclosure in Financial Statements*

Effective for financial periods to be determined by the MASB

- Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of the above amendments to MFRSs do not have any material financial impact to the Group's and the Bank's financial statements.

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The business operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors.

UNITED OVERSEAS BANK (MALAYSIA) BHD

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EXPLANATORY NOTES

4. 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 of the Bank for the financial period ended 30 June 2025.

5. CHANGES IN ESTIMATES

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

6. DEBT AND EQUITY SECURITIES

There were no material issuances of shares, share buy-backs and repayment or disposal of debt and equity securities by the Group and the Bank during the financial period ended 30 June 2025.

7. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses. There was no change in the valuation of property, plant and equipment that was brought forward from the previous audited financial statements for the financial year ended 31 December 2024.

8. INVESTMENT IN SUBSIDIARIES

In June 2025, the Board of UOB Properties (KL) Bhd ("UOBPKL") approved the partial redemption of Redeemable Preference Shares ("RPS") amounting to RM80.0 million subscribed by the Bank.

9. DIVIDENDS

The Board of Directors has proposed a single-tier interim dividend of 112.3 sen per share for the financial period ended 30 June 2025. The proposed interim dividend, amounting to RM527,810,000, is subject to approval and has not been reflected in the financial statements for the financial period ended 30 June 2025.

A final single-tier dividend of 195.1 sen per share in respect of the financial year ended 31 December 2024 amounting to RM916,970,000 was paid in May 2025.

10. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 3 July 2025, the Bank issued RM750.0 million Basel III-compliant Tier 2 Subordinated Islamic Medium-Term Notes ("Tier 2 Sukuk Wakalah") at 3.85% per annum. The said subordinated sukuk were issued out of the RM5.0 billion Islamic debt programme.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the financial period ended 30 June 2025.

UNITED OVERSEAS BANK (MALAYSIA) BHD
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EXPLANATORY NOTES

12. CASH AND SHORT-TERM FUNDS

	Group and Bank	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Cash and balances with banks and other financial institutions	2,500,528	3,726,433
Money at call and deposit placements maturing within one month	4,187,000	2,780,943
	6,687,528	6,507,376
Less: Allowance for ECL	(1,982)	(17,980)
	6,685,546	6,489,396

Movements in the allowance for ECL on cash and short-term funds are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	non credit-	credit-	
Group and Bank		impaired	impaired	Total ECL
As at 30 June 2025	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	17,980	-	-	17,980
Allowance made	1,149	-	-	1,149
Maturity/settlement/repayment	(16,495)	-	-	(16,495)
Exchange differences	(652)	-	-	(652)
Net total	(15,998)	-	-	(15,998)
At 30 June 2025	1,982	-	-	1,982
As at 31 December 2024				
At 1 January 2024	13,144	-	-	13,144
Allowance made	6,173	-	-	6,173
Maturity/settlement/repayment	(660)	-	-	(660)
Exchange differences	(677)	-	-	(677)
Net total	4,836	-	-	4,836
At 31 December 2024	17,980	-	-	17,980

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EXPLANATORY NOTES

13. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	Group and Bank	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Licensed banks in Malaysia	-	100,000
Less: Allowance for ECL	-	(57)
	<u>-</u>	<u>99,943</u>

Movements in the allowance for ECL on deposits and placements with financial institutions are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	non credit-	credit-	
Group and Bank		impaired	impaired	Total ECL
As at 30 June 2025	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	57	-	-	57
Maturity/settlement/repayment	(57)	-	-	(57)
Net total	(57)	-	-	(57)
At 30 June 2025	-	-	-	-
As at 31 December 2024				
At 1 January 2024	174	-	-	174
Allowance made	57	-	-	57
Maturity/settlement/repayment	(174)	-	-	(174)
Net total	(117)	-	-	(117)
At 31 December 2024	57	-	-	57

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	Group and Bank	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Money market instruments		
Bank Negara Malaysia bills	-	1,153,480
Malaysian Government securities	1,131,784	869,287
Negotiable instruments of deposits	3,910,118	2,509,570
	<u>5,041,902</u>	<u>4,532,337</u>
Debt securities in Malaysia		
Cagamas bonds	886,175	1,650,782
Unquoted private debt securities	487,538	123,127
	<u>1,373,713</u>	<u>1,773,909</u>
Total financial assets at FVTPL	<u>6,415,615</u>	<u>6,306,246</u>

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15. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group and Bank	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Money market instruments		
Bank Negara Malaysia bills	965,213	-
Malaysian Government securities	16,099,602	14,455,985
Negotiable instruments of deposits	960,069	1,399,705
	18,024,884	15,855,690
Debt securities in Malaysia		
Cagamas bonds/sukuk	45,102	120,164
Unquoted private debt securities	314,707	431,458
	359,809	551,622
Total debt instruments at FVOCI	18,384,693	16,407,312

Movements in the allowance for ECL on debt instruments at FVOCI are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	non credit-	credit-	Total ECL
Group and Bank	RM'000	impaired	impaired	RM'000
As at 30 June 2025		RM'000	RM'000	
At 1 January 2025	1,869	61	-	1,930
Allowance made	1,368	-	-	1,368
Maturity/settlement/repayment	(1,019)	(23)	-	(1,042)
Net total	349	(23)	-	326
At 30 June 2025	2,218	38	-	2,256
As at 31 December 2024				
At 1 January 2024	3,841	306	39,960	44,107
Allowance made	1,222	104	-	1,326
Maturity/settlement/repayment	(3,194)	(349)	(39,960)	(43,503)
Net total	(1,972)	(245)	(39,960)	(42,177)
At 31 December 2024	1,869	61	-	1,930

16. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group and Bank	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Quoted securities		
Shares of corporations in Malaysia	-	947
Unquoted securities		
Shares of corporations in Malaysia	159,824	173,214
	159,824	174,161

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17. DEBT INSTRUMENTS AT AMORTISED COST

	Group and Bank	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Money market instruments		
Malaysian Government securities	7,063,268	7,261,850
Less: Allowance for ECL	(617)	(634)
	<u>7,062,651</u>	<u>7,261,216</u>
Debt securities in Malaysia		
Unquoted private debt securities/sukuk	2,830,055	2,713,956
Less: Allowance for ECL	(11,635)	(16,200)
	<u>2,818,420</u>	<u>2,697,756</u>
Total debt instruments at amortised cost	<u>9,881,071</u>	<u>9,958,972</u>

Movements in the allowance for ECL on debt instruments at amortised cost are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	non credit-	credit-	
	RM'000	impaired	impaired	Total ECL
Group and Bank				RM'000
As at 30 June 2025				
At 1 January 2025	8,163	8,671	-	16,834
Transferred to Stage 1	6,300	(6,300)	-	-
Net remeasurement of allowance	(2,190)	-	-	(2,190)
Allowance made	3,114	-	-	3,114
Maturity/settlement/repayment	(4,614)	(892)	-	(5,506)
Net total	2,610	(7,192)	-	(4,582)
At 30 June 2025	<u>10,773</u>	<u>1,479</u>	<u>-</u>	<u>12,252</u>
As at 31 December 2024				
At 1 January 2024	21,327	1,162	-	22,489
Transferred to Stage 2	(337)	337	-	-
Net remeasurement of allowance	-	(425)	-	(425)
Allowance made	4,336	7,866	-	12,202
Maturity/settlement/repayment	(17,163)	(269)	-	(17,432)
Net total	(13,164)	7,509	-	(5,655)
At 31 December 2024	<u>8,163</u>	<u>8,671</u>	<u>-</u>	<u>16,834</u>

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18. LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30-Jun-25 RM'000	31-Dec-24 RM'000	30-Jun-25 RM'000	31-Dec-24 RM'000
At amortised cost				
Overdrafts	2,847,751	2,906,991	2,847,751	2,906,991
Term loans/financing:				
- Housing loans/financing	41,113,038	40,657,783	41,113,038	40,657,783
- Syndicated term loans/financing	4,232,667	4,059,293	4,232,667	4,059,293
- Other term loans/financing	32,007,859	31,267,921	32,391,209	31,570,207
Credit card receivables	9,888,164	9,670,098	9,888,164	9,670,098
Bills receivables	379,813	197,554	379,813	197,554
Trust receipts	7,524,666	7,886,076	7,524,666	7,886,076
Claims on customers under acceptance credits	6,099,521	6,172,720	6,099,521	6,172,720
Revolving credits	6,392,119	6,762,626	6,392,119	6,762,626
Staff loans	131,404	121,357	131,404	121,357
	110,617,002	109,702,419	111,000,352	110,004,705
Unearned interest/profit	(181,936)	(174,365)	(181,936)	(174,365)
Gross loans, advances and financing	110,435,066	109,528,054	110,818,416	109,830,340
Allowance for ECL on loans, advances and financing:				
- Stage 1 - 12 month ECL	(788,342)	(832,959)	(791,529)	(835,616)
- Stage 2 - Lifetime ECL non credit-impaired	(803,819)	(941,366)	(803,819)	(941,366)
- Stage 3 - Lifetime ECL credit-impaired	(721,904)	(656,292)	(721,904)	(656,292)
Net loans, advances and financing	108,121,001	107,097,437	108,501,164	107,397,066

(i) **Gross loans, advances and financing by remaining contractual maturity are as follows:**

	Group		Bank	
	30-Jun-25 RM'000	31-Dec-24 RM'000	30-Jun-25 RM'000	31-Dec-24 RM'000
Maturing within one year	36,210,653	35,765,586	36,594,003	36,067,872
One year to three years	5,762,330	7,158,247	5,762,330	7,158,247
Three years to five years	9,333,630	8,075,302	9,333,630	8,075,302
Over five years	59,128,453	58,528,919	59,128,453	58,528,919
	110,435,066	109,528,054	110,818,416	109,830,340

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18. LOANS, ADVANCES AND FINANCING (Cont'd.)

(ii) Gross loans, advances and financing by type of customers are as follows:

	Group		Bank	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Domestic non-banking financial institutions:				
- Others	2,496,363	2,571,139	2,496,363	2,571,139
Domestic business enterprises:				
- Small and medium enterprises	23,985,320	23,601,584	23,985,320	23,601,584
- Others	21,732,491	21,797,863	22,115,841	22,100,149
Individuals	57,224,188	56,858,938	57,224,188	56,858,938
Foreign entities	4,996,704	4,698,530	4,996,704	4,698,530
	110,435,066	109,528,054	110,818,416	109,830,340

(iii) Gross loans, advances and financing by interest/profit rate sensitivity are as follows:

	Group		Bank	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	85,727	88,075	85,727	88,075
- Other fixed rate loans/financing	17,317,973	17,233,788	17,317,973	17,233,788
Variable rate:				
- Base rate/base lending/financing rate-plus	61,290,598	61,212,177	61,290,598	61,212,177
- Cost-plus	31,380,309	30,584,904	31,763,659	30,887,190
- Other variable rates	360,459	409,110	360,459	409,110
	110,435,066	109,528,054	110,818,416	109,830,340

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18. LOANS, ADVANCES AND FINANCING (Cont'd.)

(iv) Gross loans, advances and financing by economic sector are as follows:

	Group		Bank	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	779,963	938,952	779,963	938,952
Mining and quarrying	495,046	254,559	495,046	254,559
Manufacturing	11,280,697	10,378,354	11,280,697	10,378,354
Electricity, gas and water	1,574,447	1,473,706	1,574,447	1,473,706
Construction	8,013,515	7,584,464	8,013,515	7,584,464
Wholesale, retail trade, restaurants and hotels	13,986,693	15,172,522	13,986,693	15,172,522
Transport, storage and communication	4,394,740	4,549,170	4,394,740	4,549,170
Finance, insurance and business services	3,365,200	3,304,755	3,365,200	3,304,755
Real estate	4,676,487	4,231,268	5,059,837	4,533,554
Community, social and personal services	166,512	372,223	166,512	372,223
Households:				
- Purchase of residential properties	41,703,530	41,243,458	41,703,530	41,243,458
- Purchase of non-residential properties	7,322,963	7,486,496	7,322,963	7,486,496
- Others	12,675,273	12,538,127	12,675,273	12,538,127
	110,435,066	109,528,054	110,818,416	109,830,340

(v) Gross loans, advances and financing by geographical distribution are as follows:

	Group		Bank	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
In Malaysia	105,438,362	104,829,524	105,821,712	105,131,810
Outside Malaysia	4,996,704	4,698,530	4,996,704	4,698,530
	110,435,066	109,528,054	110,818,416	109,830,340

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18. LOANS, ADVANCES AND FINANCING (Cont'd.)

(vi) Movements in credit-impaired loans, advances and financing are as follows:

	Group and Bank	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
At 1 January	2,663,010	2,831,791
Classified as credit-impaired	642,107	1,010,709
Amount recovered	(146,423)	(333,351)
Reclassified as non credit-impaired	(203,727)	(380,562)
Amount written-off	(159,550)	(465,577)
Gross credit-impaired loans, advances and financing	2,795,417	2,663,010
Less: Stage 3 - Lifetime ECL credit-impaired	(721,904)	(656,292)
Net credit-impaired loans, advances and financing	2,073,513	2,006,718
Ratio of net credit-impaired loans, advances and financing to gross loans, advances and financing less allowance for ECL on credit-impaired provisions	1.9%	1.8%

(vii) Movements in the allowance for ECL on loans, advances and financing are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	non credit-	credit-	Total ECL
Group		impaired	impaired	
As at 30 June 2025	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	832,959	941,366	656,292	2,430,617
Transferred to Stage 1	58,319	(56,169)	(2,150)	-
Transferred to Stage 2	(9,999)	33,892	(23,893)	-
Transferred to Stage 3	(1,062)	(40,802)	41,864	-
Net remeasurement of allowance	(43,659)	79,875	132,061	168,277
Allowance made	110,938	72,588	59,961	243,487
Maturity/settlement/repayment	(157,738)	(225,250)	(28,585)	(411,573)
Exchange differences	(1,416)	(1,681)	-	(3,097)
Net total	(44,617)	(137,547)	179,258	(2,906)
Amount written-off	-	-	(113,553)	(113,553)
Other movements	-	-	(93)	(93)
At 30 June 2025	788,342	803,819	721,904	2,314,065

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EXPLANATORY NOTES

18. LOANS, ADVANCES AND FINANCING (Cont'd.)

(vii) Movements in the allowance for ECL on loans, advances and financing are as follows (cont'd.):

Group (cont'd.)	Stage 1	Stage 2	Stage 3	Total ECL
	12-month ECL RM'000	Lifetime ECL non credit- impaired RM'000	Lifetime ECL credit- impaired RM'000	
As at 31 December 2024				
At 1 January 2024	355,716	1,405,055	754,736	2,515,507
Transferred to Stage 1	112,793	(90,296)	(22,497)	-
Transferred to Stage 2	(12,100)	39,254	(27,154)	-
Transferred to Stage 3	(1,496)	(29,551)	31,047	-
Net remeasurement of allowance	269,322	(266,162)	244,831	247,991
Allowance made	227,450	134,852	115,984	478,286
Maturity/settlement/repayment	(116,970)	(251,235)	(85,576)	(453,781)
Exchange differences	(1,756)	(551)	-	(2,307)
Net total	477,243	(463,689)	256,635	270,189
Amount written-off	-	-	(355,002)	(355,002)
Other movements	-	-	(77)	(77)
At 31 December 2024	832,959	941,366	656,292	2,430,617

Bank

As at 30 June 2025

At 1 January 2025	835,616	941,366	656,292	2,433,274
Transferred to Stage 1	58,319	(56,169)	(2,150)	-
Transferred to Stage 2	(9,999)	33,892	(23,893)	-
Transferred to Stage 3	(1,062)	(40,802)	41,864	-
Net remeasurement of allowance	(43,659)	79,875	132,061	168,277
Allowance made	111,468	72,588	59,961	244,017
Maturity/settlement/repayment	(157,738)	(225,250)	(28,585)	(411,573)
Exchange differences	(1,416)	(1,681)	-	(3,097)
Net total	(44,087)	(137,547)	179,258	(2,376)
Amount written-off	-	-	(113,553)	(113,553)
Other movements	-	-	(93)	(93)
At 30 June 2025	791,529	803,819	721,904	2,317,252

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18. LOANS, ADVANCES AND FINANCING (Cont'd.)

(vii) Movements in the allowance for ECL on loans, advances and financing are as follows (cont'd.):

Bank (cont'd.)	Stage 1	Stage 2	Stage 3	Total ECL
	12-month ECL	Lifetime ECL non credit-impaired	Lifetime ECL credit-impaired	
As at 31 December 2024	RM'000	RM'000	RM'000	RM'000
At 1 January 2024	357,818	1,405,055	754,736	2,517,609
Transferred to Stage 1	112,793	(90,296)	(22,497)	-
Transferred to Stage 2	(12,100)	39,254	(27,154)	-
Transferred to Stage 3	(1,496)	(29,551)	31,047	-
Net remeasurement of allowance	269,322	(266,162)	244,831	247,991
Allowance made	228,005	134,852	115,984	478,841
Maturity/settlement/repayment	(116,970)	(251,235)	(85,576)	(453,781)
Exchange differences	(1,756)	(551)	-	(2,307)
Net total	477,798	(463,689)	256,635	270,744
Amount written-off	-	-	(355,002)	(355,002)
Other movements	-	-	(77)	(77)
At 31 December 2024	835,616	941,366	656,292	2,433,274

(viii) Gross credit-impaired loans, advances and financing by economic sector are as follows:

	Group and Bank	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
Mining and quarrying	568	568
Manufacturing	106,626	100,382
Electricity, gas and water	5	17
Construction	724,576	679,950
Wholesale, retail trade, restaurants and hotels	343,492	318,604
Transport, storage and communication	35,963	35,581
Finance, insurance and business services	32,294	33,609
Real estate	242,513	240,719
Community, social and personal services	4,160	3,989
Households:		
- Purchase of residential properties	955,024	920,067
- Purchase of non-residential properties	164,780	149,784
- Others	185,416	179,740
	2,795,417	2,663,010

(ix) Gross credit-impaired loans, advances and financing by geographical distribution are as follows:

	Group and Bank	
	30-Jun-25	31-Dec-24
	RM'000	RM'000
In Malaysia	2,687,035	2,570,791
Outside Malaysia	108,382	92,219
	2,795,417	2,663,010

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19. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Financial derivatives are instruments whose values change in response to the change in one or more "underlying", such as foreign exchange rate, security price and credit index. They include forwards, swaps, futures, options and credit derivatives. In the normal course of business, the Group and the Bank customise derivatives to meet specific needs of their customers. The Group and the Bank also transact in these derivatives for proprietary trading purposes as well as to manage their assets/liabilities and structural positions. While the Group and the Bank also enter into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases for customers, these other contracts are not designated as hedge relationships and are measured at fair value through profit or loss.

The fair values of the financial derivatives are as follows:

Group and Bank As at 30 June 2025	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
<u>Trading derivatives</u>			
Foreign exchange related contracts:			
- Forwards	29,363,189	144,157	643,304
- Swaps	84,164,469	1,143,071	1,094,649
- Options	632,002	6,871	1,665
Interest/profit rate related contracts:			
- Swaps	160,634,565	922,848	580,123
- Options	2,567	-	1
Equity related contracts:			
- Swaps	195,342	366	4,746
- Options	88,068	3,341	1,167
Commodity related contracts:			
- Swaps	272,420	6,323	10,013
- Futures	51,184	612	1,023
- Options	22,588	-	-
Precious metals contracts:			
- Forwards	1,331,122	11,555	11,439
Credit derivative contracts:			
- Swaps	5,517	321	-
<u>Hedging derivatives</u>			
Interest rate related contracts:			
- Swaps	750,000	-	103
		2,239,465	2,348,233

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19. DERIVATIVES FINANCIAL ASSETS/(LIABILITIES) (Cont'd.)

The fair values of the financial derivatives are as follows (cont'd.):

Group and Bank (cont'd.) As at 31 December 2024	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
<u>Trading derivatives</u>			
Foreign exchange related contracts:			
- Forwards	22,458,932	310,378	201,127
- Swaps	69,707,640	459,109	745,699
- Options	932,151	6,208	2,857
Interest/profit rate related contracts:			
- Swaps	117,496,041	515,751	385,784
- Futures	835	14	-
- Options	25,246	-	35
Equity related contracts:			
- Swaps	84,799	114	3,882
- Options	56,409	2,015	1,251
Commodity related contracts:			
- Swaps	423,137	5,521	14,917
- Futures	40,240	1,797	54
- Options	143,870	868	868
Precious metals contracts:			
- Forwards	788,695	3,204	3,223
Credit derivative contracts:			
- Swaps	5,857	234	-
<u>Hedging derivatives</u>			
Interest rate related contracts:			
- Swaps	750,000	-	648
		<u>1,305,213</u>	<u>1,360,345</u>

The table above analyses the principal amounts and the positive and negative fair values of the Group's and the Bank's financial derivatives. The notional amounts of these instruments indicate the value of transactions outstanding at the reporting date for both trading and hedging instruments. They do not necessarily indicate the amount of future cash flows or the fair value of the derivatives and therefore, do not represent total amount of risk. The positive and negative fair values represent the favourable and unfavourable fair values respectively of hedging and trading derivatives as a result of fluctuations in the value of the underlying relative to their contractual terms as at reporting date.

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20. OTHER ASSETS

	Group		Bank	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Other receivables, deposits and prepayments	783,132	1,127,240	802,691	1,127,125
Interest/profit receivable	365,615	344,342	365,615	344,342
Amount due from subsidiaries	-	-	15,540	14,334
Amount due from fellow subsidiaries	175	-	-	-
Amount due from holding company	101	79	101	62
Amount due from the ultimate holding company	503	74,747	486	74,747
Precious metal accounts	589,858	427,012	589,858	427,012
Less: Allowance for ECL	(3,317)	(7,855)	(3,332)	(7,883)
	1,736,067	1,965,565	1,770,959	1,979,739

Movements in the allowance for ECL on other assets are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	non credit-	credit-	
Group		impaired	impaired	Total ECL
As at 30 June 2025	RM'000	RM'000	RM'000	RM'000
At 1 January 2025	4,288	3,567	-	7,855
Allowance made	788	452	-	1,240
Maturity/settlement/repayment	(3,049)	(2,683)	-	(5,732)
Exchange differences	(25)	(21)	-	(46)
Net total	(2,286)	(2,252)	-	(4,538)
At 30 June 2025	2,002	1,315	-	3,317

As at 31 December 2024

At 1 January 2024	2,998	2,516	-	5,514
Allowance made	1,764	1,466	-	3,230
Maturity/settlement/repayment	(461)	(404)	-	(865)
Exchange differences	(13)	(11)	-	(24)
Net total	1,290	1,051	-	2,341
At 31 December 2024	4,288	3,567	-	7,855

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20. OTHER ASSETS (Cont'd.)

Movements in the allowance for ECL on other assets are as follows (cont'd.):

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	non credit-	credit-	
	RM'000	impaired	impaired	Total ECL
		RM'000	RM'000	RM'000
Bank				
As at 30 June 2025				
At 1 January 2025	4,303	3,580	-	7,883
Allowance made	788	446	-	1,234
Maturity/settlement/repayment	(3,056)	(2,683)	-	(5,739)
Exchange differences	(25)	(21)	-	(46)
Net total	(2,293)	(2,258)	-	(4,551)
At 30 June 2025	2,010	1,322	-	3,332
As at 31 December 2024				
At 1 January 2024	2,999	2,517	-	5,516
Allowance made	1,778	1,478	-	3,256
Maturity/settlement/repayment	(461)	(404)	-	(865)
Exchange differences	(13)	(11)	-	(24)
Net total	1,304	1,063	-	2,367
At 31 December 2024	4,303	3,580	-	7,883

21. INTANGIBLE ASSETS

	Goodwill	Other intangible assets*	Total
	RM'000	RM'000	RM'000
Group and Bank			
2025			
Cost			
At 1 January/30 June	350,557	131,000	481,557
Accumulated amortisation			
At 1 January	-	(28,383)	(28,383)
Amortisation charged for the financial period	-	(6,550)	(6,550)
At 30 June	-	(34,933)	(34,933)
Net carrying amount			
At 30 June	350,557	96,067	446,624

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21. INTANGIBLE ASSETS (Cont'd.)

Group and Bank (cont'd.) 2024	Goodwill RM'000	Other intangible assets* RM'000	Total RM'000
Cost			
At 1 January/31 December	350,557	131,000	481,557
Accumulated amortisation			
At 1 January	-	(15,283)	(15,283)
Amortisation charged for the financial year	-	(13,100)	(13,100)
At 31 December	-	(28,383)	(28,383)
Net carrying amount			
At 31 December	350,557	102,617	453,174

* Comprising Core Deposit Intangibles and Customer Relationship

22. DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30-Jun-25 RM'000	31-Dec-24 RM'000	30-Jun-25 RM'000	31-Dec-24 RM'000
Demand deposits	41,900,005	38,361,113	41,927,393	38,378,729
Savings deposits	11,822,156	12,019,918	11,822,156	12,019,918
Fixed deposits	61,617,195	61,740,182	61,617,195	61,740,182
Money market deposits	2,414,962	2,031,150	2,414,962	2,031,150
Others	789,510	433,222	790,242	434,104
	118,543,828	114,585,585	118,571,948	114,604,083

(i) The remaining maturity of fixed deposits and money market deposits are as follows:

	Group		Bank	
	30-Jun-25 RM'000	31-Dec-24 RM'000	30-Jun-25 RM'000	31-Dec-24 RM'000
Due within six months	46,281,986	50,851,434	46,281,986	50,851,434
Six months to one year	17,732,427	12,893,016	17,732,427	12,893,016
One year to three years	17,744	26,497	17,744	26,497
Three years to five years	-	385	-	385
	64,032,157	63,771,332	64,032,157	63,771,332

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22. DEPOSITS FROM CUSTOMERS (Cont'd.)

(ii) The deposits are sourced from the following type of customers:

	Group		Bank	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Business enterprises	36,927,324	34,476,283	36,955,444	34,494,781
Individuals	61,967,225	61,811,182	61,967,225	61,811,182
Foreign entities	9,185,176	8,905,881	9,185,176	8,905,881
Others	10,464,103	9,392,239	10,464,103	9,392,239
	118,543,828	114,585,585	118,571,948	114,604,083

23. DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Licensed banks in Malaysia	1,602,025	487,126	1,602,025	487,126
Bank Negara Malaysia	1,432,434	982,339	1,432,434	982,339
Other financial institutions	10,864,336	13,163,355	10,864,356	13,163,375
	13,898,795	14,632,820	13,898,815	14,632,840

24. OTHER LIABILITIES

	Group		Bank	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Allowance for ECL on commitments and contingencies	195,269	221,914	195,269	221,914
Interest/profit payable	369,166	466,539	369,166	466,539
Accruals and provisions for operational expenses	244,008	468,240	241,721	465,377
Other payables and accruals	3,723,988	3,349,462	3,714,379	3,331,797
Deferred income	62,625	21,331	62,625	21,331
	4,595,056	4,527,486	4,583,160	4,506,958

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EXPLANATORY NOTES**24. OTHER LIABILITIES (Cont'd.)**

Movements in the allowance for ECL on irrevocable commitments and contingencies are as follows:

Group and Bank As at 30 June 2025	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12-month ECL RM'000	Lifetime ECL non credit- impaired RM'000	Lifetime ECL credit- impaired RM'000	
At 1 January 2025	130,080	67,319	24,515	221,914
Transferred to Stage 1	27,116	(27,116)	-	-
Transferred to Stage 2	(1,953)	1,953	-	-
Transferred to Stage 3	-	(3)	3	-
Net remeasurement of allowance	(19,898)	20,257	17,958	18,317
Allowance made	50,670	13,658	-	64,328
Maturity/settlement/repayment	(86,579)	(20,686)	(523)	(107,788)
Exchange differences	(498)	(128)	-	(626)
Net total	(31,142)	(12,065)	17,438	(25,769)
Other movements	-	-	(876)	(876)
At 30 June 2025	98,938	55,254	41,077	195,269

As at 31 December 2024

At 1 January 2024	83,399	92,569	29,297	205,265
Transferred to Stage 1	53,386	(53,386)	-	-
Transferred to Stage 2	(3,060)	3,060	-	-
Net remeasurement of allowance	(36,196)	21,468	-	(14,728)
Allowance made	80,171	27,473	1,657	109,301
Maturity/settlement/repayment	(47,304)	(23,845)	(6,043)	(77,192)
Exchange differences	(316)	(20)	-	(336)
Net total	46,681	(25,250)	(4,386)	17,045
Other movements	-	-	(396)	(396)
At 31 December 2024	130,080	67,319	24,515	221,914

25. SUBORDINATED BONDS/SUKUK

At amortised cost	Group and Bank	
	30-Jun-25 RM'000	31-Dec-24 RM'000
RM750.0 million subordinated bond 2020/2030, at par (Note (a))	749,897	749,352
RM1.0 billion subordinated bond 2022/2032, at par (Note (b))	1,000,000	1,000,000
RM500.0 million subordinated sukuk 2024/2034, at par (Note (c))	500,000	500,000
	2,249,897	2,249,352
Accumulated fair value adjustment (gain) for subordinated bonds	(103)	(648)

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25. SUBORDINATED BONDS/SUKUK (Cont'd.)

- (a) On 3 August 2020, the Bank issued RM750.0 million Basel III compliant Tier 2 subordinated bonds (10 years maturity, non-callable 5 years) ("the Bond 1").

The Bond 1 bears interest at the rate of 3.00% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated bonds.

The Bond 1 may be redeemed at par at the option of the Bank, in part or in whole, on 1 August 2025 or at any interest payment date thereafter.

The interest is payable semi-annually in arrears on 3 February and 3 August each year commencing 3 February 2021.

The Bond 1 has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

- (b) On 27 October 2022, the Bank issued RM1.0 billion Basel III compliant Tier 2 subordinated bonds (10 years maturity, non-callable 5 years) ("the Bond 2").

The Bond 2 bears interest at the rate of 4.91% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated bonds.

The Bond 2 may be redeemed at par at the option of the Bank, in part or in whole, on 27 October 2027 or at any interest payment date thereafter.

The interest is payable semi-annually in arrears on 27 April and 27 October each year commencing 27 April 2023.

The Bond 2 has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

- (c) On 8 February 2024, the Bank issued RM500.0 million Basel III compliant Tier 2 subordinated Islamic Medium Term Notes (10 years maturity, non-callable 5 years) ("the Sukuk").

The Sukuk bears profit at the rate of 4.01% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated sukuk.

The Sukuk may be redeemed at par at the option of the Bank, in part or in whole, on 8 February 2029 or at any profit payment date thereafter.

The profit is payable semi-annually in arrears on 8 August and 8 February each year commencing 8 August 2024.

The Sukuk has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

- (d) Fair value hedge

The Bank primarily uses interest rate swap to hedge the interest rate risk of the bonds.

As at 30 June 2025, the Group and the Bank had interest rate swap agreements in place with notional amount totalling RM750.0 million (31 December 2024: RM750.0 million).

The movements in fair value of the interest rate swaps of unrealised gain of RM545,000 (31 December 2024: unrealised loss of RM376,000) were recognised in trading and investment income during the period (Note 29).

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EXPLANATORY NOTES

26. OPERATING REVENUE

Operating revenue of the Group and the Bank comprises interest/financing income, fee income, commission income, trading and investment income and other income derived from banking operations.

27. INTEREST INCOME

Group	Second Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	1,263,915	1,255,787	2,513,532	2,523,758
Credit-impaired loans, advances and financing	13,871	17,485	34,314	38,222
Money at call and deposit placements with financial institutions	127,488	93,073	222,321	191,277
Financial assets at FVTPL	61,677	51,176	135,658	102,423
Debt instruments at FVOCI	97,593	174,562	209,079	347,350
Debt instruments at amortised cost	100,729	92,634	201,983	185,926
	1,665,273	1,684,717	3,316,887	3,388,956
Amortisation of premium less accretion of discount on:				
- Financial assets at FVTPL	4,400	844	5,100	1,072
- Debt instruments at FVOCI	(7,450)	(22,696)	(14,422)	(48,501)
- Debt instruments at amortised cost	1,351	1,539	2,438	3,032
	1,663,574	1,664,404	3,310,003	3,344,559
Bank				
Loans, advances and financing	1,267,937	1,259,499	2,521,329	2,531,334
Credit-impaired loans, advances and financing	13,871	17,485	34,314	38,222
Money at call and deposit placements with financial institutions	127,488	93,073	222,321	191,277
Financial assets at FVTPL	61,677	51,176	135,658	102,423
Debt instruments at FVOCI	97,593	174,562	209,079	347,350
Debt instruments at amortised cost	100,729	92,634	201,983	185,926
	1,669,295	1,688,429	3,324,684	3,396,532
Amortisation of premium less accretion of discount on:				
- Financial assets at FVTPL	4,400	844	5,100	1,072
- Debt instruments at FVOCI	(7,450)	(22,696)	(14,422)	(48,501)
- Debt instruments at amortised cost	1,351	1,539	2,438	3,032
	1,667,596	1,668,116	3,317,800	3,352,135

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28. INTEREST EXPENSE

Group	Second Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Deposits from customers	720,290	761,860	1,410,247	1,533,618
Deposits and placements of banks and other financial institutions	134,271	161,772	292,562	345,410
Subordinated bonds	18,097	17,951	35,957	35,930
Lease liabilities	726	648	1,550	1,335
Others	16,971	13,756	34,646	28,537
	890,355	955,987	1,774,962	1,944,830
Bank				
Deposits from customers	720,364	762,017	1,410,404	1,533,910
Deposits and placements of banks and other financial institutions	134,271	161,772	292,562	345,410
Subordinated bonds	18,097	17,951	35,957	35,930
Lease liabilities	5,246	5,067	10,053	9,465
Others	16,993	13,778	34,689	28,574
	894,971	960,585	1,783,665	1,953,289

29. OTHER OPERATING INCOME

Group	Second Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
<u>Fee income</u>				
Commission	64,499	63,608	135,599	136,237
Guarantee fees	23,821	24,349	52,341	45,689
Service charges and fees	159,857	143,410	307,388	290,524
Less: Fee expenses	(74,776)	(60,361)	(137,869)	(110,176)
	85,081	83,049	169,519	180,348
Commitment fees	7,120	6,826	14,789	14,132
Arrangement and participation fees	9,905	18,176	14,314	24,795
	190,426	196,008	386,562	401,201

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EXPLANATORY NOTES

29. OTHER OPERATING INCOME (Cont'd.)

Group (cont'd.)	Second Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
<u>Trading and Investment income</u>				
Gain from sale of financial assets at FVTPL	6,187	8,202	12,727	13,799
Unrealised (loss)/gain on financial assets at FVTPL	(952)	(9,113)	(8,172)	748
Gain/(loss) from trading derivatives	18,845	(78,574)	46,776	(161,297)
Unrealised (loss)/gain from trading derivatives	(26,085)	66,203	(68,474)	128,337
Unrealised (loss)/gain on fair value adjustment for subordinated bonds	(478)	(292)	(545)	305
Gain from sale of precious metals	2,582	818	3,124	1,472
Unrealised (loss)/gain from revaluation of precious metals	(1,246)	(19)	(1,103)	100
Gain from sale/recovery of debt instruments at FVOCI	34,513	4,320	69,163	46,572
Gross dividends from equity instruments at FVOCI	877	499	877	499
	34,243	(7,956)	54,373	30,535
<u>Other income</u>				
Foreign exchange gain, net	165,390	182,601	346,584	366,736
Rental income from operating leases	439	417	889	851
Gain on disposal of property, plant and equipment	739	-	739	-
Others	3,167	3,920	11,531	9,389
	169,735	186,938	359,743	376,976
	394,404	374,990	800,678	808,712

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EXPLANATORY NOTES

29. OTHER OPERATING INCOME (Cont'd.)

Bank	Second Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
<u>Fee income</u>				
Commission	64,499	63,608	135,599	136,237
Guarantee fees	23,821	24,349	52,341	45,689
Service charges and fees	159,756	143,410	307,817	289,912
Less: Fee expenses	(74,776)	(60,361)	(137,869)	(110,176)
	84,980	83,049	169,948	179,736
Commitment fees	7,245	6,954	15,039	14,385
Arrangement and participation fees	9,905	18,176	14,314	24,795
	190,450	196,136	387,241	400,842
<u>Trading and Investment income</u>				
Gain from sale of financial assets at FVTPL	6,187	8,202	12,727	13,799
Unrealised (loss)/gain on financial assets at FVTPL	(952)	(9,113)	(8,172)	748
Gain/(loss) from trading derivatives	18,845	(78,574)	46,776	(161,297)
Unrealised (loss)/gain from trading derivatives	(26,085)	66,203	(68,474)	128,337
Unrealised (loss)/gain on fair value adjustment for subordinated bonds	(478)	(292)	(545)	305
Gain from sale of precious metals	2,582	818	3,124	1,472
Unrealised (loss)/gain from revaluation of precious metals	(1,246)	(19)	(1,103)	100
Gain from sale/recovery of debt instruments at FVOCI	34,513	4,320	69,163	46,572
Gross dividends from equity instruments at FVOCI	877	499	877	499
	34,243	(7,956)	54,373	30,535
<u>Other income</u>				
Foreign exchange gain, net	165,390	182,601	346,584	366,736
Gain on disposal of property, plant and equipment	739	-	739	-
Others	3,194	3,919	11,583	9,425
	169,323	186,520	358,906	376,161
	394,016	374,700	800,520	807,538

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30. OTHER OPERATING EXPENSES

Group	Second Quarter Ended		Six Months Ended	
	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
Personnel expenses	297,784	322,189	611,900	648,166
Establishment expenses	209,470	194,367	398,177	376,005
Marketing expenses	28,298	32,709	46,528	51,466
General administrative expenses	48,520	51,161	95,106	93,188
	584,072	600,426	1,151,711	1,168,825
<u>Personnel expenses</u>				
Wages, salaries and bonus	234,368	245,451	477,693	504,508
Defined contribution plan	36,293	37,644	76,537	74,713
Other employee benefits	27,123	39,094	57,670	68,945
	297,784	322,189	611,900	648,166
<u>Establishment expenses</u>				
Depreciation of property, plant and equipment	39,675	36,711	77,858	70,474
Depreciation of right-of-use assets	5,846	5,540	11,853	10,639
Amortisation of intangible assets	3,275	3,275	6,550	6,550
Information technology costs	105,543	106,803	204,075	209,135
Repair and maintenance	28,706	21,287	53,525	39,202
Short-term lease expenses	30	246	45	665
Others	26,395	20,505	44,271	39,340
	209,470	194,367	398,177	376,005
<u>Marketing expenses</u>				
Advertisement and publicity	28,298	32,709	46,528	51,466
<u>General administrative expenses</u>				
Fees and commissions paid	13,556	22,581	28,968	33,609
Others	34,964	28,580	66,138	59,579
	48,520	51,161	95,106	93,188

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30. OTHER OPERATING EXPENSES (Cont'd.)

Bank	Second Quarter Ended		Six Months Ended	
	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
Personnel expenses	296,355	320,772	609,014	645,287
Establishment expenses	211,016	194,341	400,144	377,609
Marketing expenses	28,252	32,620	46,445	51,370
General administrative expenses	48,031	50,658	94,144	92,391
	583,654	598,391	1,149,747	1,166,657
<u>Personnel expenses</u>				
Wages, salaries and bonus	233,162	244,259	475,271	502,099
Defined contribution plan	36,101	37,445	76,153	74,333
Other employee benefits	27,092	39,068	57,590	68,855
	296,355	320,772	609,014	645,287
<u>Establishment expenses</u>				
Depreciation of property, plant and equipment	35,159	32,191	68,824	61,432
Depreciation of right-of-use assets	13,307	12,527	26,781	24,397
Amortisation of intangible assets	3,275	3,275	6,550	6,550
Information technology costs	105,543	106,803	204,075	209,135
Repair and maintenance	28,567	20,877	53,381	38,775
Short-term lease expenses	302	1,029	318	2,220
Others	24,863	17,639	40,215	35,100
	211,016	194,341	400,144	377,609
<u>Marketing expenses</u>				
Advertisement and publicity	28,252	32,620	46,445	51,370
<u>General administrative expenses</u>				
Fees and commissions paid	13,475	22,549	28,808	33,542
Others	34,556	28,109	65,336	58,849
	48,031	50,658	94,144	92,391

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EXPLANATORY NOTES

31. (WRITE-BACK OF)/ALLOWANCE FOR EXPECTED CREDIT LOSSES ("ECL")

Group	Second Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing:				
- Stage 1 - 12-month ECL	(27,240)	37,999	(44,617)	2,459
- Stage 2 - Lifetime ECL non credit-impaired	(114,608)	(163,776)	(137,547)	(142,617)
- Stage 3 - Lifetime ECL credit-impaired	78,177	77,869	179,258	122,659
	(63,671)	(47,908)	(2,906)	(17,499)
Credit-impaired loans, advances and financing:				
- Written-off	25,149	28,574	53,945	61,156
- Recovered	(58,640)	(54,722)	(117,321)	(111,302)
	(97,162)	(74,056)	(66,282)	(67,645)
Other financial assets:				
- Stage 1 - 12-month ECL	(5,150)	188	(15,382)	(15,195)
- Stage 2 - Lifetime ECL non credit-impaired	(9,433)	4,359	(9,467)	4,752
	(14,583)	4,547	(24,849)	(10,443)
Commitments and contingencies:				
- Stage 1 - 12-month ECL	(2,893)	13,809	(31,142)	4,161
- Stage 2 - Lifetime ECL non credit-impaired	(95)	(26,610)	(12,065)	(35,990)
- Stage 3 - Lifetime ECL credit-impaired	17,862	1,245	17,438	1,202
	14,874	(11,556)	(25,769)	(30,627)
Total	(96,871)	(81,065)	(116,900)	(108,715)

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31. (WRITE-BACK OF)/ALLOWANCE FOR EXPECTED CREDIT LOSSES ("ECL") (Cont'd.)

Bank	Second Quarter Ended		Six Months Ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing:				
- Stage 1 - 12-month ECL	(26,725)	38,198	(44,087)	3,055
- Stage 2 - Lifetime ECL non credit-impaired	(114,608)	(163,776)	(137,547)	(142,617)
- Stage 3 - Lifetime ECL credit-impaired	78,177	77,869	179,258	122,659
	(63,156)	(47,709)	(2,376)	(16,903)
Credit-impaired loans, advances and financing:				
- Written-off	25,149	28,574	53,945	61,156
- Recovered	(58,640)	(54,722)	(117,321)	(111,302)
	(96,647)	(73,857)	(65,752)	(67,049)
Other financial assets:				
- Stage 1 - 12-month ECL	(5,167)	203	(15,389)	(15,164)
- Stage 2 - Lifetime ECL non credit-impaired	(9,442)	4,379	(9,473)	4,783
	(14,609)	4,582	(24,862)	(10,381)
Commitments and contingencies:				
- Stage 1 - 12-month ECL	(2,893)	13,809	(31,142)	4,161
- Stage 2 - Lifetime ECL non credit-impaired	(95)	(26,610)	(12,065)	(35,990)
- Stage 3 - Lifetime ECL credit-impaired	17,862	1,245	17,438	1,202
	14,874	(11,556)	(25,769)	(30,627)
Total	(96,382)	(80,831)	(116,383)	(108,057)

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32. SEGMENT INFORMATION

Operating Segments

The following segment information has been prepared in accordance with MFRS 8 *Operating Segments*, which defines the requirements for the disclosure of financial information of an entity's operating segments. It is prepared on the basis of the "management approach", which requires presentation of the segments on the basis of internal reports about the components of the entity which are regularly reviewed by the chief operating decision-maker in order to allocate resources to a segment and assess its performance.

The Group's businesses are organised into the following four segments based on the types of products and services that it provides:

Retail

The Retail segment covers Personal Financial Services and Private Banking. Personal Financial Services serves the individual customers, offers a wide range of products and services, including deposits, loans, credit and debit cards, insurance products, and also provides an extended range of financial services, including wealth management to wealthy and affluent customers. Private Banking is an integral part of the Personal Financial Services, dedicated to providing high-net-worth clients with financial and portfolio planning services. It is focused on helping our clients achieve sustainable growth and legacy solutions of their wealth for future generations via bespoke wealth management and credit advisory.

Wholesale Banking ("WB")

The WB segment encompasses Commercial Banking, Business Banking, Corporate Banking and Financial Institutions Group ("FIG"). Commercial Banking serves the medium and large enterprises while Business Banking serves small enterprises. Corporate Banking serves large local corporations, government-linked companies and agencies and multinational corporations. FIG serves financial institutions as well as non-bank financial institutions. Commercial Banking, Business Banking, Corporate Banking and FIG provide customers with a broad range of products and services. These include current accounts, deposits, lending, trade finance, structured finance, cash management, foreign exchange, cross-border payments, insurance as well as investment banking services including principal advisor, lead manager and facility agent for the arrangement of both syndicated loans and Private Debt Securities ("PDS").

Global Markets ("GM")

The GM segment provides a comprehensive range of treasury products and services, including foreign exchange, money market, fixed income, derivatives, commodities, gold products, as well as an array of structured products. It is a player in Malaysian Ringgit treasury instruments in the region. It also engages in proprietary investment activities and management of excess liquidity and capital funds.

Others

Other segments include corporate support functions and divisions not attributable to business segments mentioned above and property-related activities.

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32. SEGMENT INFORMATION (Cont'd.)

Operating segments (cont'd.)

Group	Retail RM'000	WB RM'000	GM RM'000	Others RM'000	Total segments RM'000	Eliminations RM'000	Total RM'000
For period ended 30 June 2025							
Operating income	915,332	1,094,878	179,224	267,257	2,456,691	(30,831)	2,425,860
Other operating expenses	(662,418)	(331,879)	(56,392)	(137,815)	(1,188,504)	36,793	(1,151,711)
Write-back of/(allowance for) ECL	27,065	89,598	-	(285)	116,378	522	116,900
Profit before taxation	279,979	852,597	122,832	129,157	1,384,565	6,484	1,391,049
Income tax expense							(335,982)
Profit after taxation							1,055,067

Other information

For period ended 30 June 2025

Inter-segment operating income/(expense)	111,750	(55,981)	(342,464)	317,526	30,831	(30,831)	-
Depreciation of property, plant and equipment and right-of-use assets	26,904	18,608	2,035	57,469	105,016	(15,305)	89,711

As at 30 June 2025

Gross loans, advances and financing	61,587,798	48,456,245	-	771,186	110,815,229	(380,163)	110,435,066
Deposits from customers	68,930,633	49,640,993	-	11,682	118,583,308	(39,480)	118,543,828

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32. SEGMENT INFORMATION (Cont'd.)

Operating segments (cont'd.)

Group (cont'd.)	Retail RM'000	WB RM'000	GM RM'000	Others RM'000	Total segments RM'000	Eliminations RM'000	Total RM'000
For period ended 30 June 2024							
Operating income	956,905	1,083,047	156,934	130,276	2,327,162	(27,763)	2,299,399
Other operating expenses	(653,724)	(322,615)	(54,301)	(173,265)	(1,203,905)	35,080	(1,168,825)
Write-back of/(allowance for) ECL	29,494	79,015	-	(455)	108,054	661	108,715
Profit before taxation	332,675	839,447	102,633	(43,444)	1,231,311	7,978	1,239,289
Income tax expense							(312,864)
Profit after taxation							926,425

Other information

For period ended 30 June 2024

Inter-segment operating income/(expense)	208,736	20,083	(377,666)	176,610	27,763	(27,763)	-
Depreciation of property, plant and equipment and right-of-use assets	23,226	15,316	1,979	54,716	95,237	(14,124)	81,113

As at 30 June 2024

Gross loans, advances and financing	60,486,986	46,450,652	-	672,531	107,610,169	(302,201)	107,307,968
Deposits from customers	69,860,111	46,800,248	-	6,622	116,666,981	(38,170)	116,628,811

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33. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia ("BNM")'s Capital Adequacy Framework (Capital Components) issued on 15 December 2023 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 18 December 2023.

	Group		Bank	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
<u>Common Equity Tier 1 ("CET1")/</u>				
<u>Tier 1 Capital</u>				
Paid-up share capital	792,555	792,555	792,555	792,555
Retained profits	14,040,792	13,902,695	14,193,649	14,055,169
Other reserves	389,804	325,539	149,424	85,159
Regulatory adjustments applied in the calculation of CET1 Capital	(1,086,735)	(1,158,883)	(1,141,291)	(1,293,438)
Total CET1/Tier 1 Capital	14,136,416	13,861,906	13,994,337	13,639,445
<u>Tier 2 Capital</u>				
Tier 2 Capital instruments	2,250,000	2,250,000	2,250,000	2,250,000
Loan/financing loss provision:				
- Surplus eligible provisions over expected losses	374,125	373,130	376,922	374,957
- General provisions	152,375	161,244	142,914	151,748
Regulatory adjustments applied in the calculation of Tier 2 Capital	105,065	105,065	-	-
Total Tier 2 Capital	2,881,565	2,889,439	2,769,836	2,776,705
Total Capital	17,017,981	16,751,345	16,764,173	16,416,150

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33. CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (Cont'd.)

(a) The capital adequacy ratios of the Group and the Bank are as follows:

	Group		Bank	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
CET1/Tier 1 Capital	16.055%	16.034%	15.975%	15.863%
Total Capital	19.328%	19.376%	19.137%	19.092%
CET1/Tier 1 Capital*	15.455%	14.973%	15.373%	14.796%
Total Capital*	18.728%	18.315%	18.535%	18.025%

* Net of proposed interim dividend for the financial period ended 30 June 2025 and net of proposed dividend for the financial year ended 31 December 2024.

(b) Analysis of gross risk-weighted assets ("RWA") by risk category is as follows:

	Group		Bank	
	30-Jun-25	31-Dec-24	30-Jun-25	31-Dec-24
	RM'000	RM'000	RM'000	RM'000
Total RWA for credit risk	77,529,277	76,643,244	77,139,473	76,188,110
Total RWA for market risk	1,705,714	1,708,989	1,705,714	1,708,989
Total RWA for operational risk	8,815,264	8,102,776	8,753,583	8,087,999
Total RWA	88,050,255	86,455,009	87,598,770	85,985,098

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34. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

Group and Bank As at 30 June 2025	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	5,316,830	4,943,461	3,113,701
Transaction-related contingent items	7,940,279	3,860,810	2,233,204
Short-term self-liquidating trade-related contingencies	752,538	157,527	134,764
Lending of banks' securities or the posting of securities as collateral by banks	1,171,260	52,735	136
Foreign exchange related contracts:			
- Less than one year	112,722,456	2,960,416	406,124
- One year to less than five years	1,424,561	102,060	57,304
- Five years and above	12,643	1,264	1,266
Interest/profit rate related contracts:			
- Less than one year	60,331,630	478,977	55,006
- One year to less than five years	98,555,134	3,300,009	857,365
- Five years and above	2,500,368	275,287	101,233
Equity related contracts:			
- Less than one year	262,053	2,324	89
- One year to less than five years	21,357	-	-
Precious metals related contracts:			
- Less than one year	1,331,122	25,731	1,192
Commodity related contracts:			
- Less than one year	346,192	35,786	10,572
Credit derivative contracts:			
- Less than one year	5,517	872	66
Undrawn credit facility:			
- Less than one year	29,627,158	1,563,837	306,338
- More than one year	9,889,328	6,833,503	4,649,034
- Unconditionally cancellable	39,589,302	9,946,973	3,519,861
Other commitments	402,865	-	-
Total	372,202,593	34,541,572	15,447,255

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34. COMMITMENTS AND CONTINGENCIES (Cont'd.)

Group and Bank (cont'd.) As at 31 December 2024	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	5,031,976	4,891,797	3,578,305
Transaction-related contingent items	7,551,468	3,728,404	2,302,234
Short-term self-liquidating trade-related contingencies	653,296	136,913	97,968
Lending of banks' securities or the posting of securities as collateral by banks	2,038,447	65,166	2,525
Foreign exchange related contracts:			
- Less than one year	91,581,348	2,012,786	350,479
- One year to less than five years	1,401,062	108,806	62,116
- Five years and above	116,313	11,631	11,648
Interest/profit rate related contracts:			
- Less than one year	47,837,909	284,156	35,518
- One year to less than five years	68,596,860	2,364,585	625,002
- Five years and above	1,837,353	172,150	76,724
Equity related contracts:			
- Less than one year	140,708	2,862	157
- One year to less than five years	500	-	-
Precious metals related contracts:			
- Less than one year	788,695	11,086	611
Commodity related contracts:			
- Less than one year	597,906	49,242	16,710
- One year to less than five years	9,341	-	-
Credit derivative contracts:			
- Less than one year	5,857	819	74
Undrawn credit facility:			
- Less than one year	26,565,986	1,621,999	724,238
- More than one year	8,146,986	5,578,999	3,510,972
- Unconditionally cancellable	38,563,909	9,427,523	3,552,711
Other commitments	218,409	-	-
Total	301,684,329	30,468,924	14,947,992

Disclosure of the principal amount and credit equivalent of the commitments and contingencies is as per BNM's Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3).

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35. CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

	Group and Bank	
	30-Jun-25	31-Dec-24
Outstanding credit exposures with connected parties (RM'000)	3,290,296	2,566,359
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	2.969%	2.337%
Percentage of outstanding credit exposures to connected parties which is impaired or in default	0.0002%	0.0008%

The credit exposures above are derived based on Bank Negara Malaysia's revised guidelines on Credit Transaction and Exposure with Connected Parties issued on 16 July 2014.

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36. PERFORMANCE REVIEW

For the six months ended 30 June 2025, the Group posted a profit before tax of RM1,391.0 million, an increase of RM151.7 million or 12.2 percent compared to RM1,239.3 million in the same period last year. This improvement was driven by a 12.7 percent or RM143.5 million increase in operating profit, as a result of the Group's continued focus on banking activities and disciplined cost management.

Operating income rose to RM2,425.9 million, up from RM2,299.4 million a year ago. This was supported by a 9.7 percent or RM135.3 million increase in net interest income, driven by loan growth and improved net interest margins. Other operating income declined marginally by RM8.0 million or 1.0 percent, mainly due to lower trading and investment income and reduced fee and commission income.

Operating expenses reduced slightly to RM1,151.7 million, compared to RM1,168.8 million in the previous year.

The Group recorded a total expected credit loss ("ECL") allowance writeback of RM116.9 million, which was RM8.2 million higher than the RM108.7 million writeback in the same period last year.

Gross loans, advances, and financing grew by 2.9 percent to RM110.4 billion, reflecting the Group's commitment in supporting businesses and individuals. Non-bank deposits grew by 1.6 percent to RM118.5 billion, with CASA mix showing improvement compared to a year ago.

37. PROSPECTS FOR 2025

Macroeconomic volatility and heightened uncertainties persist into 2025. Looking ahead, the global economy will be underpinned by steady consumer demand, front-loaded trade flows, easing monetary conditions, and fiscal stimulus. However, the outlook is weakened by tariffs and escalation of trade tensions that pose uncertainties to growth as well as greater volatility across global financial markets. Resolving ongoing negotiations to lower tariffs could contribute to greater trade stability.

As regional countries are better prepared with expanded supply chains, stronger regionalisation, constructive cooperation and deeper economic integration, this will help ASEAN better cope with any trade fallout and capture opportunities amidst global challenges. The availability of financing facilities and regional mechanisms through the Chiang Mai Initiative Multilateralisation to assist countries facing liquidity problems will further shore up confidence that ASEAN+3 (ASEAN, China, Hong Kong, Japan, and South Korea) can withstand external shocks and contagion risks.

Malaysia's economy is projected to stay on a positive trajectory, though growth is expected to moderate amid a more cautious outlook. Growth remains supported by robust domestic demand, a diversified export base and supportive policies. The government of Malaysia's preparedness to monitor tariffs and supply chain risks will help mitigate some of the downside risks. A strategic approach to safeguard the domestic economy has been outlined that includes government guarantees for financing to affected exporters and accelerating the implementation of projects and investment approvals. This is in addition to the country's resilience and strengths that include (i) wider market access through bilateral and multilateral free trade agreements; (ii) the federal government's neutrality stance; (iii) ongoing implementation of numerous national master plans to strengthen the country's fundamentals; and (iv) continued supply chain diversification to Malaysia. In a pre-emptive move to support growth amid rising downside risks, Bank Negara Malaysia ("BNM") cut the Overnight Policy Rate ("OPR") by 25bps to 2.75% on 9 July 2025 — its first rate cut since July 2020. There was also a reduction in the Statutory Requirement Ratio ("SRR") by 100bps to 1.00%, effective 16 May 2025, to support domestic lending activities and ensure stable economic activity.

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38. ISLAMIC BANKING OPERATIONS

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

	Note	30-Jun-25 RM'000	31-Dec-24 RM'000
Assets			
Cash and short-term funds	a	5,553,586	3,404,517
Securities purchased under resale agreements		1,368,479	872,506
Debt instruments at FVOCI	b	1,028,096	2,390,860
Debt instruments at amortised cost	c	430,579	432,467
Other assets	e	38,935	29,924
Derivative financial assets	f	291,567	97,251
Financing, advances and others	d	9,337,745	8,772,173
Statutory deposits with BNM		10,500	36,500
Plant and equipment		7,223	8,174
Deferred tax assets		20,258	12,877
Total assets		18,086,968	16,057,249
Liabilities and Islamic Banking funds			
Deposits from customers	g	6,145,769	5,945,798
Investment accounts due to a designated financial institution	h	3,419,908	3,234,748
Deposits and placements of other financial institutions	i	6,795,302	5,480,982
Bills and acceptances payable		19,451	3,285
Other liabilities	j	107,888	55,018
Derivative financial liabilities	f	287,198	96,041
Tax payable		54,514	32,061
Subordinated sukuk	k	500,000	500,000
Total liabilities		17,330,030	15,347,933
Capital funds		450,000	450,000
Reserves		306,938	259,316
Islamic Banking funds	l	756,938	709,316
Total liabilities and Islamic Banking funds		18,086,968	16,057,249
Commitments and contingencies	t	24,110,050	15,803,684

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

		Second Quarter ended		Six Months ended	
	Note	30-Jun-25 RM'000	30-Jun-24 RM'000	30-Jun-25 RM'000	30-Jun-24 RM'000
Income derived from investment of depositors' funds	m	117,329	94,802	226,446	187,834
Income derived from investment of Islamic Banking funds	n	14,739	10,025	28,636	20,255
Income derived from investment of investment account funds	o	31,680	44,735	61,939	90,224
(Allowance for)/write-back of ECL on:					
- Financing, advances and others	r	(1,806)	(16,466)	(8,141)	(6,588)
- Other financial assets	r	23	1,116	241	50
- Commitments and contingencies	r	(651)	(1,634)	1,168	(630)
Total distributable income		161,314	132,578	310,289	291,145
Profit distributed to depositors and others	p	(93,694)	(67,623)	(176,235)	(135,955)
Profit distributed to investment account holders	q	(25,316)	(35,399)	(50,645)	(71,400)
Total net income		42,304	29,556	83,409	83,790
Other operating expenses	s	(11,665)	(10,750)	(23,093)	(22,616)
Profit before taxation		30,639	18,806	60,316	61,174
Income tax expense		(7,373)	(4,590)	(14,501)	(14,842)
Profit after taxation		23,266	14,216	45,815	46,332

Other comprehensive income/(loss):

Items that may be reclassified subsequently to statement of profit or loss:

Net fair value changes in debt instruments at FVOCI	2,950	(183)	2,377	(1,411)
Income tax effect	(708)	44	(570)	339
Other comprehensive income/(loss) for the financial period, net of tax	2,242	(139)	1,807	(1,072)
Total comprehensive income for the financial period	25,508	14,077	47,622	45,260

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)

CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont'd.)
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

Net income from Islamic Banking operations as reported in the statements of profit or loss of the Group and the Bank is derived as follows:

	Second Quarter ended		Six Months ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	117,329	94,802	226,446	187,834
Income derived from investment of Islamic Banking funds	14,739	10,025	28,636	20,255
Income derived from investment of investment account funds	31,680	44,735	61,939	90,224
Profit distributed to depositors and others	(93,694)	(67,623)	(176,235)	(135,955)
Profit distributed to investment account holders	(25,316)	(35,399)	(50,645)	(71,400)
Net income from Islamic Banking operations reported in the statements of profit or loss of the Group and the Bank	44,738	46,540	90,141	90,958

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN ISLAMIC BANKING FUNDS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Capital funds RM'000	Non- distributable FVOCI reserve RM'000	Distributable Retained profits RM'000	Total RM'000
At 1 January 2025	450,000	698	258,618	709,316
Profit for the financial period	-	-	45,815	45,815
Other comprehensive income	-	1,807	-	1,807
Total comprehensive income for the financial period	-	1,807	45,815	47,622
At 30 June 2025	450,000	2,505	304,433	756,938
At 1 January 2024	450,000	1,316	160,434	611,750
Profit for the financial period	-	-	46,332	46,332
Other comprehensive loss	-	(1,072)	-	(1,072)
Total comprehensive (loss)/income for the financial period	-	(1,072)	46,332	45,260
At 30 June 2024	450,000	244	206,766	657,010

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)

**CONDENSED INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	30-Jun-25	30-Jun-24
	RM'000	RM'000
Profit before taxation	60,316	61,174
Adjustments for non-operating and non-cash items	(29,455)	(76,841)
Operating profit/(loss) before working capital changes	30,861	(15,667)
Changes in working capital:		
Net changes in operating assets	(1,241,443)	(42,979)
Net changes in operating liabilities	1,960,813	(677,392)
Net cash generated from/(used in) operating activities	750,231	(736,038)
Net cash generated from investing activities	1,398,756	213,464
Net cash generated from financing activities	-	500,000
Net increase/(decrease) in cash and cash equivalents	2,148,987	(22,574)
Cash and cash equivalents at beginning of the financial period	3,404,999	2,890,913
Cash and cash equivalents at end of the financial period before allowance for ECL	5,553,986	2,868,339
Analysis of cash and cash equivalents		
Cash and short-term funds	5,553,986	2,868,339
Less: Allowance for ECL	(400)	(429)
	5,553,586	2,867,910

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the year ended 31 December 2024.

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

a. Cash and short-term funds

	30-Jun-25 RM'000	31-Dec-24 RM'000
Cash and balances with banks and other financial institutions	2,626,986	2,472,999
Money at call and deposit placements maturing within one month	2,927,000	932,000
	5,553,986	3,404,999
Less: Allowance for ECL	(400)	(482)
	5,553,586	3,404,517

Movements in the allowance for ECL on cash and short-term funds are as follows:

	Stage 1 12-months ECL RM'000	Stage 2 Lifetime ECL non credit- impaired RM'000	Stage 3 Lifetime ECL credit- impaired RM'000	Total ECL RM'000
As at 30 June 2025				
At 1 January 2025	482	-	-	482
Allowance made	283	-	-	283
Maturity/settlement/repayment	(348)	-	-	(348)
Exchange differences	(17)	-	-	(17)
Net total	(82)	-	-	(82)
At 30 June 2025	400	-	-	400
As at 31 December 2024				
At 1 January 2024	422	-	-	422
Allowance made	139	-	-	139
Maturity/settlement/repayment	(61)	-	-	(61)
Exchange differences	(18)	-	-	(18)
Net total	60	-	-	60
At 31 December 2024	482	-	-	482

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

b. Debt instruments at fair value through other comprehensive income ("FVOCI")

	30-Jun-25 RM'000	31-Dec-24 RM'000
Money market instruments		
Government Islamic investments	1,028,096	2,161,028
Negotiable instruments of deposits	-	199,829
	1,028,096	2,360,857
Private debt securities of companies incorporated in Malaysia		
Cagamas sukuk	-	30,003
Total debt instruments at FVOCI	1,028,096	2,390,860

Movements in the allowance for ECL on debt instruments at FVOCI are as follows:

	Stage 1 12-months ECL RM'000	Stage 2 Lifetime ECL non credit- impaired RM'000	Stage 3 Lifetime ECL credit- impaired RM'000	Total ECL RM'000
As at 30 June 2025				
At 1 January 2025	243	-	-	243
Allowance made	5	-	-	5
Maturity/settlement/repayment	(158)	-	-	(158)
Net total	(153)	-	-	(153)
At 30 June 2025	90	-	-	90
As at 31 December 2024				
At 1 January 2024	185	-	-	185
Allowance made	230	-	-	230
Maturity/settlement/repayment	(172)	-	-	(172)
Net total	58	-	-	58
At 31 December 2024	243	-	-	243

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

c. Debt instruments at amortised cost

	30-Jun-25 RM'000	31-Dec-24 RM'000
Money market instruments		
Government Islamic investment	400,583	401,617
Less: Allowance for ECL	(35)	(35)
	<u>400,548</u>	<u>401,582</u>
Private debt securities of companies incorporated in Malaysia		
Unquoted corporate sukuk	30,031	30,885
Total debt instruments at amortised cost	<u>430,579</u>	<u>432,467</u>

Movements in the allowance for ECL on debt instruments at amortised cost are as follows:

	Stage 1 12-months ECL RM'000	Stage 2 Lifetime ECL non credit- impaired RM'000	Stage 3 Lifetime ECL credit- impaired RM'000	Total ECL RM'000
As at 30 June 2025				
At 1 January 2025/30 June 2025	<u>35</u>	<u>-</u>	<u>-</u>	<u>35</u>
As at 31 December 2024				
At 1 January 2024	145	-	-	145
Maturity/settlement/repayment	(110)	-	-	(110)
Net total	<u>(110)</u>	<u>-</u>	<u>-</u>	<u>(110)</u>
At 31 December 2024	<u>35</u>	<u>-</u>	<u>-</u>	<u>35</u>

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

d. Financing, advances and others

(i) Financing by type of Shariah contract:

	Sale based contracts				Total RM'000
	Tawarruq RM'000	Murabahah RM'000	Bai Al-Dayn RM'000	Others RM'000	
As at 30 June 2025					
Term financing:					
- Housing financing	3,989,669	-	-	7,012	3,996,681
- Syndicated term financing	598,027	-	-	-	598,027
- Other term financing	3,571,431	-	-	-	3,571,431
Trust receipts	441,999	-	-	-	441,999
Claims on customers under acceptance credits	-	172,518	-	-	172,518
Revolving credits	676,198	-	-	-	676,198
Gross financing, advances and others	<u>9,277,324</u>	<u>172,518</u>	<u>-</u>	<u>7,012</u>	<u>9,456,854</u>
Allowance for ECL on financing, advances and others:					
- Stage 1 - 12-month ECL					(27,561)
- Stage 2 - Lifetime ECL non credit-impaired					(60,816)
- Stage 3 - Lifetime ECL credit-impaired					(30,732)
Net financing, advances and others					<u>9,337,745</u>

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

d. Financing, advances and others (cont'd.)

(i) Financing by type of Shariah contract (cont'd.):

As at 31 December 2024	Sale based contracts				Total RM'000
	Tawarruq RM'000	Murabahah RM'000	Bai Al-Dayn RM'000	Others RM'000	
Term financing:					
- Housing financing	3,899,657	-	-	7,402	3,907,059
- Syndicated term financing	55,495	-	-	-	55,495
- Other term financing	3,566,794	-	-	-	3,566,794
Trust receipts	387,983	-	-	-	387,983
Claims on customers under acceptance credits	-	158,892	786	-	159,678
Revolving credits	810,700	-	-	-	810,700
Gross financing, advances and others	8,720,629	158,892	786	7,402	8,887,709
Allowance for ECL on financing, advances and others:					
- Stage 1 - 12-month ECL					(24,951)
- Stage 2 - Lifetime ECL non credit-impaired					(58,977)
- Stage 3 - Lifetime ECL credit-impaired					(31,608)
Net financing, advances and others					8,772,173

Included in financing and advances are specific business ventures funded by the Restricted Specific Investment Account ("RSIA") arrangement between Islamic Banking and Conventional Banking. The Conventional Banking, being the RSIA depositor, is exposed to the risks and rewards of the business ventures and accounts for the ECL allowance arising thereon.

As at 30 June 2025, the gross exposure and ECL relating to RSIA financing amounting to RM1,957,781,920 (31 December 2024: RM2,347,357,179) and RM32,155,362 (31 December 2024: RM27,853,711), respectively.

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

d. Financing, advances and others (cont'd.)

(ii) Gross financing, advances and others by remaining contractual maturity are as follows:

	30-Jun-25	31-Dec-24
	RM'000	RM'000
Maturing within one year	2,254,379	1,792,701
One year to three years	242,039	690,415
Three years to five years	749,513	276,851
Over five years	6,210,923	6,127,742
	9,456,854	8,887,709

(iii) Gross financing, advances and others by type of customers are as follows:

	30-Jun-25	31-Dec-24
	RM'000	RM'000
Domestic non-banking financial institutions:		
- Others	580,592	688,973
Domestic business enterprises:		
- Small and medium enterprises	2,023,434	2,080,455
- Others	2,564,499	1,924,157
Individuals	4,135,318	4,050,177
Foreign entities	153,011	143,947
	9,456,854	8,887,709

(iv) Gross financing, advances and others by profit rate sensitivity are as follows:

	30-Jun-25	31-Dec-24
	RM'000	RM'000
Fixed rate financing	172,977	160,177
Variable rate:		
- Base rate/base financing rate-plus	5,393,920	5,359,580
- Cost-plus	3,889,957	3,367,952
	9,456,854	8,887,709

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

d. Financing, advances and others (cont'd.)

(v) Gross financing, advances and others by economic sector are as follows:

	30-Jun-25	31-Dec-24
	RM'000	RM'000
Agriculture, hunting, forestry and fishing	232,274	283,586
Mining and quarrying	40,958	28,740
Manufacturing	916,751	752,014
Electricity, gas and water	677,824	589,452
Construction	343,734	372,965
Wholesale, retail trade, restaurants and hotels	1,032,929	1,133,546
Transport, storage and communication	684,925	208,377
Finance, takaful and business services	719,930	658,913
Real estate	482,371	422,619
Community, social and personal services	36,837	243,373
Households:		
- Purchase of residential properties	4,007,374	3,926,042
- Purchase of non-residential properties	215,621	214,570
- Others	65,326	53,512
	9,456,854	8,887,709

(vi) Gross financing, advances and others by geographical distribution are as follows:

	30-Jun-25	31-Dec-24
	RM'000	RM'000
In Malaysia	9,303,843	8,743,762
Outside Malaysia	153,011	143,947
	9,456,854	8,887,709

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

d. Financing, advances and others (cont'd.)

(vii) Movements in the allowance for ECL on financing, advances and others are as follows:

	Stage 1	Stage 2	Stage 3	
	12-months	Lifetime ECL	Lifetime ECL	
	ECL	non credit-	credit-	
		impaired	impaired	
As at 30 June 2025	RM'000	RM'000	RM'000	Total ECL RM'000
At 1 January 2025	24,951	58,977	31,608	115,536
Transferred to Stage 1	5,394	(5,334)	(60)	-
Transferred to Stage 2	(834)	5,660	(4,826)	-
Transferred to Stage 3	(31)	(4,698)	4,729	-
Net remeasurement of allowance	(4,862)	8,991	2,756	6,885
Allowance made	9,230	19,882	5,267	34,379
Maturity/settlement/repayment	(6,265)	(22,621)	(2,992)	(31,878)
Exchange differences	(22)	(41)	-	(63)
Net total	2,610	1,839	4,874	9,323
Amount written-off	-	-	(5,750)	(5,750)
At 30 June 2025	27,561	60,816	30,732	119,109
As at 31 December 2024				
At 1 January 2024	17,656	52,737	52,131	122,524
Transferred to Stage 1	7,052	(4,069)	(2,983)	-
Transferred to Stage 2	(910)	5,198	(4,288)	-
Transferred to Stage 3	(96)	(3,402)	3,498	-
Net remeasurement of allowance	(7,583)	10,168	8,130	10,715
Allowance made	13,231	29,074	8,042	50,347
Maturity/settlement/repayment	(4,385)	(30,729)	(19,796)	(54,910)
Exchange differences	(14)	-	-	(14)
Net total	7,295	6,240	(7,397)	6,138
Amount written-off	-	-	(13,126)	(13,126)
At 31 December 2024	24,951	58,977	31,608	115,536

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

d. Financing, advances and others (cont'd.)

(viii) Movements in credit-impaired financing, advances and others are as follows:

	30-Jun-25	31-Dec-24
	RM'000	RM'000
At 1 January	196,735	215,411
Classified as credit-impaired	53,608	78,455
Amount recovered	(15,846)	(35,550)
Reclassified as non credit-impaired	(32,502)	(45,489)
Amount written-off	(5,820)	(16,092)
Gross credit-impaired financing, advances and others	196,175	196,735
Less: Stage 3 - Lifetime ECL credit-impaired	(30,732)	(31,608)
Net credit-impaired financing, advances and others	165,443	165,127
Ratio of net credit-impaired financing, advances and others to gross financing, advances and others less allowance for ECL on credit-impaired provisions	1.8%	1.9%

(ix) Gross credit-impaired financing, advances and others by economic sector are as follows:

	30-Jun-25	31-Dec-24
	RM'000	RM'000
Manufacturing	4,522	4,173
Construction	28,668	28,670
Wholesale, retail trade, restaurants and hotels	12,793	19,159
Transport, storage and communication	2,108	2,058
Finance, takaful and business services	-	1,476
Community, social and personal services	1,987	1,987
Households:		
- Purchase of residential properties	141,524	133,755
- Purchase of non-residential properties	3,259	4,188
- Others	1,314	1,269
	196,175	196,735

(x) Gross credit-impaired financing, advances and others by geographical distribution are as follows:

	30-Jun-25	31-Dec-24
	RM'000	RM'000
In Malaysia	190,162	191,595
Outside Malaysia	6,013	5,140
	196,175	196,735

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

e. Other assets

	30-Jun-25	31-Dec-24
	RM'000	RM'000
Other receivables, deposits and prepayments	19,357	3,206
Profit receivable	19,611	26,757
Less: Allowance for ECL	(33)	(39)
	38,935	29,924

Movements in the allowance for ECL on other assets are as follows:

	Stage 1	Stage 2	Stage 3	
	12-months	Lifetime ECL	Lifetime ECL	
	ECL	non credit-	credit-	
	RM'000	impaired	impaired	Total ECL
As at 30 June 2025		RM'000	RM'000	RM'000
At 1 January 2025	21	18	-	39
Allowance made	7	2	-	9
Maturity/settlement/repayment	(8)	(7)	-	(15)
Net total	(1)	(5)	-	(6)
At 30 June 2025	20	13	-	33

As at 31 December 2024

At 1 January 2024	5	4	-	9
Allowance made	19	16	-	35
Maturity/settlement/repayment	(3)	(2)	-	(5)
Net total	16	14	-	30
At 31 December 2024	21	18	-	39

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

f. Derivative financial assets/(liabilities)

Financial derivatives are instruments whose values change in response to the change in one or more "underlying", such as foreign exchange rate, security price and credit index. They include forwards, swaps, futures, options and credit derivatives. In the normal course of business, the Bank customises derivatives to meet specific needs of its customers. The Bank also transacts in these derivatives for proprietary trading purposes as well as to manage its assets/liabilities and structural positions. While the Bank also enters into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases for customers, these other contracts are not designated as hedge relationships and are measured at fair value through profit or loss.

The fair values of the financial derivatives are as follows:

	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
As at 30 June 2025			
Foreign exchange related contracts:			
- Forwards	9,049,048	8,735	270,168
- Swaps	10,342,018	282,382	16,580
Profit rate related contracts:			
- Swaps	363,645	450	450
		291,567	287,198
As at 31 December 2024			
Foreign exchange related contracts:			
- Forwards	5,018,816	73,560	17,030
- Swaps	5,665,415	23,449	78,773
- Options	563,292	-	-
Profit rate related contracts:			
- Swaps	990,000	242	238
		97,251	96,041

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

g. Deposits from customers

(i) By type of deposits:

	30-Jun-25	31-Dec-24
	RM'000	RM'000
<u>Non-mudarabah fund</u>		
Demand deposits:		
- Tawarruq	298,006	279,051
- Qard	1,223,573	1,133,230
Savings deposits:		
- Tawarruq	122,465	109,870
- Qard	16,021	17,587
Fixed deposits:		
- Tawarruq	2,978,608	3,918,735
Other deposits:		
- Tawarruq	1,507,096	487,325
	6,145,769	5,945,798

(ii) The remaining maturity of fixed deposits and other deposits are as follows:

	30-Jun-25	31-Dec-24
	RM'000	RM'000
Due within six months	3,525,789	3,155,570
Six months to one year	959,915	1,250,490
	4,485,704	4,406,060

(iii) The deposits are sourced from the following type of customers:

	30-Jun-25	31-Dec-24
	RM'000	RM'000
Business enterprises	1,283,293	1,315,353
Individuals	2,150,306	2,812,555
Foreign entities	375,122	380,483
Others	2,337,048	1,437,407
	6,145,769	5,945,798

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

h. Investment accounts due to a designated financial institution

	30-Jun-25	31-Dec-24
	RM'000	RM'000
<u>Mudarabah RSIA</u>		
Conventional Banking	3,452,063	3,262,602
Amount receivable from Conventional Banking	(32,155)	(27,854)
	<u>3,419,908</u>	<u>3,234,748</u>

i. Deposits and placements of other financial institutions

	30-Jun-25	31-Dec-24
	RM'000	RM'000
<u>Non-mudarabah fund</u>		
Other financial institutions	<u>6,795,302</u>	<u>5,480,982</u>

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

j. Other liabilities

	30-Jun-25	31-Dec-24
	RM'000	RM'000
Allowance for ECL on commitments and contingencies	11,948	9,436
Profit payable	61,587	37,499
Accruals and provisions for operational expenses	436	892
Other payables and accruals	2,612	3,219
Deferred income	31,305	3,972
	107,888	55,018

Movements in the allowance for ECL on commitments and contingencies are as follows:

	Stage 1	Stage 2	Stage 3	
	12-months	Lifetime ECL	Lifetime ECL	
	ECL	non credit-	credit-	
	RM'000	impaired	impaired	Total ECL
As at 30 June 2025		RM'000	RM'000	RM'000
At 1 January 2025	7,357	2,079	-	9,436
Transferred to Stage 1	552	(552)	-	-
Transferred to Stage 2	(57)	57	-	-
Net remeasurement of allowance	5	451	-	456
Allowance made	8,035	1,264	-	9,299
Maturity/settlement/repayment	(5,868)	(1,356)	-	(7,224)
Exchange differences	(19)	-	-	(19)
Net total	2,648	(136)	-	2,512
At 30 June 2025	10,005	1,943	-	11,948

As at 31 December 2024

At 1 January 2024	10,608	667	-	11,275
Transferred to Stage 1	45	(45)	-	-
Transferred to Stage 2	(966)	966	-	-
Net remeasurement of allowance	(16)	317	-	301
Allowance made	2,805	583	-	3,388
Maturity/settlement/repayment	(5,116)	(403)	-	(5,519)
Exchange differences	(3)	(6)	-	(9)
Net total	(3,251)	1,412	-	(1,839)
At 31 December 2024	7,357	2,079	-	9,436

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

k. Subordinated sukuk

	30-Jun-25	31-Dec-24
	RM'000	RM'000
RM500.0 million Islamic subordinated Sukuk 2024/2034	500,000	500,000

On 8 February 2024, the Bank issued RM500.0 million Basel III compliant Tier 2 subordinated Islamic Medium Term Notes (10 years maturity, non-callable 5 years) ("the Sukuk").

The Sukuk bears profit at the rate of 4.01% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated sukuk.

The Sukuk may be redeemed at par at the option of the Bank, in part or in whole, on 8 February 2029 or at any profit payment date thereafter.

The profit is payable semi-annually in arrears on 8 August and 8 February each year commencing 8 August 2024.

The Sukuk has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

l. Islamic Banking funds

	30-Jun-25	31-Dec-24
	RM'000	RM'000
Capital funds	450,000	450,000
FVOCI reserve	2,505	698
Retained profits	304,433	258,618
	756,938	709,316

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

m. Income derived from investment of depositors' funds

	Second Quarter ended		Six Months ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	68,449	66,315	136,008	132,684
Credit-impaired financing, advances and others	1,656	2,662	3,469	3,380
Money at call and deposit placements with financial institutions	28,130	3,501	46,190	10,545
Financial assets at FVTPL	-	1,302	-	1,624
Debt instruments at FVOCI	8,882	7,474	20,998	11,783
Debt instruments at amortised cost	3,528	7,597	7,028	17,529
	110,645	88,851	213,693	177,545
Amortisation of premiums, net	(1,350)	(1,778)	(2,675)	(4,119)
Total finance income and hibah	109,295	87,073	211,018	173,426
<u>Other operating income</u>				
Trading income	2,191	501	4,940	2,514
Commission income	3,588	1,945	7,107	6,118
Fee income	2,219	5,254	3,311	5,717
Others	36	29	70	59
Total other operating income	8,034	7,729	15,428	14,408
Total	117,329	94,802	226,446	187,834

n. Income derived from investment of Islamic Banking funds

	Second Quarter ended		Six Months ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	8,598	7,011	17,208	14,317
Credit-impaired financing, advances and others	208	282	439	361
Money at call and deposit placements with financial institutions	3,534	371	5,833	1,134
Financial assets at FVTPL	-	138	-	184
Debt instruments at FVOCI	1,117	791	2,659	1,257
Debt instruments at amortised cost	443	802	889	1,894
	13,900	9,395	27,028	19,147
Amortisation of premiums, net	(170)	(188)	(339)	(446)
Total finance income and hibah	13,730	9,207	26,689	18,701

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

n. Income derived from investment of Islamic Banking funds (cont'd.)

	Second Quarter ended		Six Months ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
<u>Other operating income</u>				
Trading income	275	53	624	267
Commission income	450	206	896	670
Fee income	279	557	418	611
Others	5	2	9	6
Total other operating income	1,009	818	1,947	1,554
Total	14,739	10,025	28,636	20,255

o. Income derived from investment of investment account funds

	Second Quarter ended		Six Months ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
<u>Finance income and hibah</u>				
Financing, advances and others	26,716	33,707	52,006	67,966
Money at call and deposit placements with financial institutions	4,964	10,540	9,933	21,283
	31,680	44,247	61,939	89,249
<u>Other operating income</u>				
Fee income	-	488	-	975
Total	31,680	44,735	61,939	90,224

p. Profit distributed to depositors and others

	Second Quarter ended		Six Months ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Profit distributed to depositors from non-mudarabah fund	88,695	62,624	166,292	128,045
Subordinated sukuk	4,999	4,999	9,943	7,910
	93,694	67,623	176,235	135,955

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
EXPLANATORY NOTES

q. Profit distributed to investment account holders

	Second Quarter ended		Six Months ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Profit distributed to investment account holders from mudarabah fund	25,316	35,399	50,645	71,400

r. Allowance for/(write-back of) ECL

	Second Quarter ended		Six Months ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Financing, advances and others:				
- Stage 1 - 12-month ECL	1,232	3,074	2,610	2,350
- Stage 2 - Lifetime ECL non credit-impaired	98	18,551	1,839	18,592
- Stage 3 - Lifetime ECL credit-impaired	2,410	(884)	4,874	(10,079)
Movement in ECL for RSIA holder*	(1,230)	(4,370)	(621)	(4,539)
	2,510	16,371	8,702	6,324
Credit-impaired financing, advances and others:				
- Written-off	159	103	374	279
- Recovered	(863)	(8)	(935)	(15)
	1,806	16,466	8,141	6,588
Other financial assets:				
- Stage 1 - 12-month ECL	(19)	(628)	(236)	(75)
- Stage 2 - Lifetime ECL non credit-impaired	(4)	(488)	(5)	25
	(23)	(1,116)	(241)	(50)
Commitments and contingencies:				
- Stage 1 - 12-month ECL	4,470	534	2,648	(964)
- Stage 2 - Lifetime ECL non credit-impaired	733	70	(136)	289
Movement in ECL for RSIA holder*	(4,552)	1,030	(3,680)	1,305
	651	1,634	(1,168)	630
Total	2,434	16,984	6,732	7,168

* The RSIA holder is the Conventional Banking (Note d(i))

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38. ISLAMIC BANKING OPERATIONS (Cont'd.)
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s. Other operating expenses

	Second Quarter ended		Six Months ended	
	30-Jun-25	30-Jun-24	30-Jun-25	30-Jun-24
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	1,198	989	2,221	1,984
Establishment expenses	1,605	1,220	3,072	2,590
Marketing expenses	103	88	109	98
General administrative expenses	8,759	8,453	17,691	17,944
	11,665	10,750	23,093	22,616
<u>Personnel expenses</u>				
Wages, salaries and bonus	974	809	1,806	1,641
Defined contribution plan	154	127	288	257
Other employee benefits	70	53	127	86
	1,198	989	2,221	1,984
<u>Establishment expenses</u>				
Depreciation of plant and equipment	476	476	951	951
Information technology costs	559	401	1,125	808
Repair and maintenance	30	25	45	35
Short-term lease expenses	35	27	53	44
Others	505	291	898	752
	1,605	1,220	3,072	2,590
<u>Marketing expenses</u>				
Advertisement and publicity	103	88	109	98
<u>General administrative expenses</u>				
Fees and commissions paid	142	165	271	956
Management fee	8,443	8,147	17,085	16,837
Others	174	141	335	151
	8,759	8,453	17,691	17,944

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38. ISLAMIC BANKING OPERATIONS (cont'd.)
EXPLANATORY NOTES

t. Commitments and contingencies

The off-balance sheet exposures and their related counterparty credit risks are as follows:

	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
As at 30 June 2025			
Direct credit substitutes	272,956	272,956	132,079
Transaction-related contingent items	187,424	93,811	90,938
Short-term self-liquidating trade-related contingencies	62,654	12,531	5,595
Foreign exchange related contracts:			
- Less than one year	19,391,066	197,213	43,271
Profit rate related contracts:			
- Less than one year	363,645	1,333	401
Undrawn credit facility:			
- Less than one year	1,111,987	16,574	5,284
- More than one year	1,604,953	1,172,447	1,151,599
- Unconditionally cancellable	1,115,365	-	-
Total	24,110,050	1,766,865	1,429,167
As at 31 December 2024			
Direct credit substitutes	179,009	179,009	285,556
Transaction-related contingent items	214,053	107,029	171,575
Short-term self-liquidating trade-related contingencies	4,449	889	836
Foreign exchange related contracts:			
- Less than one year	11,225,747	172,498	37,468
- More than one year	21,776	741	86
Profit rate related contracts:			
- Less than one year	890,000	663	96
- More than one year to less than five years	100,000	1,000	463
Undrawn credit facility:			
- Less than one year	1,181,312	13,522	4,267
- More than one year	730,082	527,023	336,085
- Unconditionally cancellable	1,257,256	-	-
Total	15,803,684	1,002,374	836,432

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38. ISLAMIC BANKING OPERATIONS (cont'd.)
EXPLANATORY NOTES

u. Capital management and capital adequacy

The capital adequacy ratios of Islamic Banking window are computed in accordance with the BNM Capital Adequacy Framework for Islamic Banking (Capital Components) issued on 15 December 2023 and Basel II - Risk-weighted Assets Framework for Islamic Banking issued on 18 December 2023.

	30-Jun-25 RM'000	31-Dec-24 RM'000
<u>Common Equity Tier 1 ("CET1")/Tier 1 Capital</u>		
Capital funds	450,000	450,000
Retained profits	304,433	258,618
Other reserves	2,505	698
Regulatory adjustments applied in the calculation of CET1 Capital	(22,022)	(21,542)
Total CET1/Tier 1 Capital	734,916	687,774
<u>Tier 2 Capital</u>		
Tier 2 Capital instruments	500,000	500,000
Financing loss provision:		
- Surplus eligible provisions over expected losses	4,522	-
- General provisions	1,024	994
Total Tier 2 Capital	505,546	500,994
Total Capital	1,240,462	1,188,768

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38. ISLAMIC BANKING OPERATIONS (cont'd.)
EXPLANATORY NOTES

u. Capital management and capital adequacy (cont'd.)

(a) The capital adequacy ratios are as follows:

	30-Jun-25 RM'000	31-Dec-24 RM'000
Before the effects of RSIA		
CET1/Tier 1 Capital	9.667%	11.138%
Total Capital	16.327%	19.247%
After the effects of RSIA		
CET1/Tier 1 Capital	15.579%	14.876%
Total Capital	26.296%	25.712%

In accordance with BNM's Guidelines on the Investment Account, the credit risk and market risk weighted assets funded by the RSIA which qualify as risk absorbent are excluded from the calculation of capital adequacy ratio. As at 30 June 2025, credit risk related to RSIA assets excluded from the total capital ratio calculation amounting to RM2,884,636,700 (31 December 2024: RM1,555,476,008).

(b) Analysis of gross RWA by risk category is as follows:

	30-Jun-25 RM'000	31-Dec-24 RM'000
Total RWA for credit risk	4,437,367	4,299,340
Total RWA for market risk	7,842	7,013
Total RWA for operational risk	272,136	317,084
Total RWA	4,717,345	4,623,437

v. Credit exposure arising from credit transactions with connected parties

	30-Jun-25 RM'000	31-Dec-24 RM'000
Outstanding credit exposures with connected parties (RM'000)	86,094	8,362
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	0.910%	0.094%
Percentage of outstanding credit exposures to connected parties which is impaired or in default	0.0025%	0.0026%

The credit exposures above are derived based on Bank Negara Malaysia's revised guidelines on Credit Transaction and Exposure with Connected Parties for Islamic Banks issued on 16 July 2014.