

BASEL II PILLAR 3 disclosures

As at 31 December 2025

2	Introduction
3	Risk Governance Structure
6	Capital Management
10	Risk Management Objectives and Policies
10	Credit Risk
40	Securitisation
40	Market Risk
41	Liquidity Risk
42	Operational Risk
43	Technology Risk
44	Shariah Non-Compliance Risk
45	Investment Account
46	Business Continuity Risk
47	Equities In The Banking Book

BASEL II Pillar 3 Disclosures

As at 31 December 2025

1. Introduction

1.1 Background

The Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued by Bank Negara Malaysia ('BNM'), which is the equivalent of the Basel II framework issued by the Basel Committee of Banking Supervision and the Islamic Financial Services Board is structured around three fundamental pillars:

- Pillar 1 defines the minimum capital requirement to ensure that financial institutions hold sufficient capital to cover their exposure to credit, market and operational risks.
- Pillar 2 requires financial institutions to have a process for assessing their overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital levels.
- Pillar 3 requires financial institutions to establish and implement an appropriate disclosure policy that promotes transparency regarding their risk management practices and capital adequacy positions.
- Pillar 3 disclosure is required under the BNM's Risk Weighted Capital Adequacy Framework (Basel II) ('RWCAF') – Disclosure Requirements (Pillar 3).
- Affin Bank Berhad ('the Bank') and its subsidiaries ('the Group') adopt the following approaches under Pillar 1 requirements:
 - Standardised Approach for Credit Risk
 - Standardised Approach for Market Risk
 - Basic Indicator Approach for Operational Risk

1.2 Scope of Application

This document contains the disclosure requirements under Pillar 3 for the Group and the Bank for the year ended 31 December 2025. The disclosures are made in line with the Pillar 3 disclosure requirements under the Basel II framework as laid out by BNM.

The disclosures should be read in conjunction with the Group's and the Bank's 2025 Annual Report for the year ended 31 December 2025.

The capital requirements of the Group and the Bank are generally based on the principles of consolidation adopted in the preparation of its financial statements. The Group incorporates those activities relating to Islamic banking business which have been undertaken by Affin Islamic Bank Berhad ('AFFIN ISLAMIC'), a wholly owned subsidiary of the Bank.

There are no significant restrictions or impediments on the transfer of funds or regulatory capital within the Group. Any such transfers would require the approvals of the Board of Directors and BNM.

There were no capital deficiencies in any of the subsidiaries of the Group as at the financial year ended 31 December 2025.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

2. Risk Governance Structure

2.1 Overview

The Board of Directors ('the Board') of the Group and the Bank are ultimately responsible for the overall performance of the Group and the Bank. The Board's responsibilities are congruent with the framework of BNM Guidelines. The Board also exercises great care to ensure that high ethical standards are upheld and that the interests of stakeholders are not compromised. These include responsibility for determining the Group and the Bank's general policies and strategies for the short, medium and long term, approving business plans, including targets and budgets, and approving major strategic decisions.

The Board has overall responsibility for maintaining the proper management and protection of the Group's and the Bank's interests by ensuring effective implementation of the risk management policy and process, as well as adherence to a sound system of internal controls. The Board also recognises that risks cannot be eliminated completely. As such, the inherent system of internal controls is designed to provide a reasonable though not absolute assurance against the risk of material errors, fraud or losses occurring. The system of internal controls encompasses controls relating to financial, operational, risk management and compliance with applicable laws, regulations, policies and guidelines.

The terms of reference of the Board Committees as disclosed in the Annual Report provide an outline of their respective roles and functions. In carrying out its functions, the Board has delegated specific responsibilities to other Board Committees, which operate under approved terms of reference, to assist the Board in discharging their duties. The Chairmen of the various Committees report on the outcome of their Committee meetings to the Board and any further deliberation is made at Board level, if required. These reports and deliberations are incorporated into the Minutes of the Board meetings. The Board meets on a monthly basis.

2.2 Board Committee

Group Board Nomination and Remuneration Committee ('GBNRC')

The GBNRC is responsible for providing a formal and transparent procedure for the appointment of Directors, Chief Executive Officer and Senior Management. The GBNRC develops the remuneration policy for Directors, Chief Executive Officer, Senior Management and other material risk takers, whereby, it assesses the effectiveness of individual Director, the Board as a whole and the performance of the Chief Executive Officer as well as Senior Management. The Committee obtains advice from experts in compensation and benefits, both internally and externally.

Group Board Compliance Committee ('GBCC')

The GBCC is responsible for overseeing, assessing and examining the adequacy of group compliance management frameworks including the policies, procedures and processes of the Group and the Bank. The Committee assists the Board in overseeing the management of the Group's and the Bank's compliance risk by ensuring compliance process is in place and functioning in line with the expectations of the regulators namely BNM, Securities Commission and Bursa Malaysia. It reviews and recommends compliance risk management philosophy and strategy for Board's approval, also ensuring clear and independent reporting lines and responsibilities for the overall business activities and compliance functions and recommending organisational alignments, where necessary, to the Board.

Group Board Risk Management Committee ('GBRMC')

The GBRMC is responsible for overseeing the risk management activities in managing credit, market, liquidity, operational, legal, reputational and other material risks as well as ensuring that the risk management process is in place and functioning effectively. The Committee assists the Board in ensuring that the risk management framework, policies and procedures adequately safeguard the Group and the Bank against all relevant risks.

The Committee is also responsible for providing oversight on the Group's and the Bank's risk strategy and risk appetite, ensuring alignment with the strategic goals and objectives.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

2. Risk Governance Structure (continued)

2.2 Board Committee (continued)

Group Board Credit Review and Recovery Committee ('GBCRRC')

The GBCRRC is responsible for providing critical review of financing and other credit facilities with high risk implications and vetoing financing applications that have been approved by the Group Management Credit Committee ('GMCC') as appropriate.

Group Board Audit Committee ('GBAC')

The GBAC is responsible for providing oversight and reviewing the adequacy and integrity of the internal control systems as well as oversees the work of the internal and external auditors.

Reliance is placed on the results of independent audits performed primarily by internal auditors, the outcome of statutory audits on financial statements conducted by external auditors and on representations by Management based on their control self-assessment of all areas of their responsibility.

Minutes of GBAC meetings, which provide a summary of the proceedings, are circulated to Board members for notation and discussion. The Group and the Bank have an established Group Internal Audit Division ('GIA') which reports functionally to the GBAC and administratively to the President & Group Chief Executive Officer ('PGCEO') of the Group.

Group Board IT and Transformation Committee ('GBITC')

The GBITC is responsible to oversee overall development, risk management, integration and alignment of Information Technology ('IT') strategy plan with the Group's business strategy. Leveraging on technology for new business models, changing business practices, driving competitive advantage and empowering next level thinking. GBITC also provides oversight on the overall Group's and Bank's strategic transformation programme, ensure alignment with business strategic objectives and goals, as well as ensure strategic initiatives are being implemented effectively and in a timely manner.

Shariah Committee ('SC')

The SC is formed as legislated under the Islamic Financial Services Act 2013 and as per the Shariah Governance Framework for Islamic Financial Institutions.

The roles and responsibilities of the SC include advising the Board on Shariah matters to ensure that the business operations of AFFIN ISLAMIC and the Islamic financing business of the Bank comply with Shariah principles at all times.

SC is also responsible for endorsing and validating relevant documentations of AFFIN ISLAMIC's products to ensure that the products comply with Shariah principles and advising AFFIN ISLAMIC on matters to be referred to the Shariah Advisory Council.

Group Board Sustainability Committee ('GBSC')

The GBSC is responsible for supervising the development and execution of the Group Sustainability matters. This includes the Value-based Intermediation Financing & Investment Impact Assessment Framework ('VBIAF'). The committee assist the Board by providing advice and direction in the formulation, execution, and monitoring of strategies, frameworks, and policies related to Sustainability, VBIAF, climate change and ensuring compliance with regulatory requirements namely Bursa Malaysia, Bank Negara, etc. with regards to sustainability matters.

The GBSC conducts reviews and makes recommendations to the Board regarding the appropriateness of the Group's strategies related to climate, VBIAF, and sustainability. These strategies include position statements, frameworks, ambitions, metrics, and targets. The committee's recommendations are based on thorough assessments and are aimed at ensuring that the Group's strategies align with its sustainability goals and commitments to addressing climate change.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

2. Risk Governance Structure (continued)

2.3 Group Management Committee

Group Management Committee ('GMC')

The GMC comprises the senior management team chaired by PGCEO of Affin Bank Berhad. GMC is responsible for assisting the Board in managing the day-to-day operations, formulating tactical plans and business strategies while monitoring the banking entities' overall performance and ensuring all business activities conducted are in accordance with the Group's and the Bank's corporate objectives, strategies, policies as well as Annual Business Plan and Budget.

The GMC is supported by the following sub-committees:

- Islamic
- Capital Management
- Governance, Risk and Compliance
- Branch Performance
- IT, Operations, Digital and Customer Experience

Group Management Credit Committee ('GMCC')

The GMCC is established within senior management to approve complex and large financings and workout/recovery proposals beyond the delegated authority of the individual approvers.

Group Asset and Liability Management Committee ('GALCO')

The GALCO comprising the senior management team chaired by the PGCEO, manages the Group's and the Bank's asset and liability position by identifying, managing and controlling balance sheet risks and capital management in the execution of the business strategy, while implementing asset liability strategy and policy for the balance sheet of the respective subsidiary.

Group Management Committee – Governance, Risk and Compliance ('GMC-GRC')

The GMC-GRC is a senior management committee chaired by the PGCEO that monitors activities related to risk management, compliance, governance and audit through the review and deliberation of reports on key legal matters (including potential litigation), compliance, risk management and audit-related activities.

Group Early Alert Committee ('GEAC')

The GEAC is a senior management committee, established to monitor credit quality through monthly reviews of the Early Control (MFRS 9 Stage 1) and Underperforming (MFRS 9 Stage 2) accounts as well as to review the actions taken to address the emerging risks and issues in these accounts.

2.4 Group Risk Management Function

Group Risk Management ('GRM'), headed by the Group Chief Risk Officer ('GCRO') is segregated from the lines of business, with direct reporting line to the GBRMC to preserve the independence of the risk management function.

The independence of the risk management function is critical towards controlling and managing the risk-taking activities of the Group and the Bank to achieve an optimum balance of risk and return in line with the subsidiaries' risk appetite while taking into the differences in each subsidiary's business model.

The alignment of risk function and responsibilities across the Group and the Bank is managed through streamlined frameworks, policies, guidelines and processes with the goal of achieving uniform risk management practices as well as enhancing risk culture and awareness across all business and support units.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

2. Risk Governance Structure (continued)

2.5 Internal Audit and Internal Control Activities

The scope of internal auditing encompasses the objective examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management, and internal controls. The reviews by GIA focused on areas of significant risks and effectiveness of internal controls in accordance with the audit plan approved by the GBAC.

Based on GIA's review, identification and assessment of risk, testing, and evaluation of controls, GIA will provide an opinion on the effectiveness and efficiency of the internal controls established by the Management in addressing the applicable policies, plans, procedures, laws and regulations including Shariah related matters and BNM's directive and instructions. The risks highlighted on the respective auditable areas as well as a recommendation made by the GIA are addressed at GBAC and Management meetings. The GBAC also conducts annual reviews on the adequacy of the internal audit function, scope of work, resources, and budget of GIA.

3. Capital Management

3.1 Internal Capital Adequacy Assessment Process ('ICAAP')

In line with the BNM guideline on Risk-Weighted Capital Adequacy Framework - Internal Capital Adequacy Assessment Process (ICAAP) (Pillar 2), the Group and the Bank have instituted the ICAAP Framework ("Framework") to assess the overall capital adequacy in relation to the nature, size and complexity of the Group and the Bank that impact the institutional risk profile. The Framework aims to ensure that the Group and Bank are able to maintain healthy capital levels to support strategic business priorities and forward-looking risk assessment in order to ensure that capital demand and supply is considered for both businesses as-usual and stressed conditions.

The Group's and the Bank's capital management approach is anchored in the integration of risk management and capital planning process. The Group and Bank operate within a Board approved Risk Appetite that ensures that business growth is done in a responsible and sustainable manner.

A key aspect of the risk management process on an enterprise-wide basis is the annual comprehensive risk assessment undertaken by the Group and the Bank to identify and measure the following risks:

- Risks captured under Pillar 1 (credit risk including exposure to central counterparties, market risk and operational risk);
- Risks not fully captured under Pillar 1 (e.g. model risk); and
- Risk types not covered by Pillar 1 (e.g. credit concentration risk, interest rate risk/rate of return on banking book, reputation risk, business and strategic risk, amongst others).

Material Risk Assessment ('MRA') is conducted as part of the ICAAP to identify material risks of the Group and the Bank spanning across retail, commercial, investment banking and business operations. The identification of material risks is aimed to ensure that the Group and the Bank are aware of the potential downside impact that are associated with the day-to-day running of the business. The identification of risks allows for robust management of the potential impact in the event the material risks crystallise. For each material risk identified, the Group and the Bank will ensure appropriate risk mitigation is in place and conduct regular risk monitoring to manage the risk. The management of risk across the Group and the Bank is facilitated by the Risk Management Process and it is embedded through various risk policies and frameworks across the entities.

The Group's and the Bank's stress testing process is guided by the Group's Stress Testing Policy. Stress testing is an essential risk management tool to assess a banking institution's potential vulnerabilities to stressed business conditions. It involves identifying possible events or future changes in the financial and macroeconomic conditions that potentially have unfavorable effects on the Group and the Bank's exposure and ability to withstand such changes usually in relation to the resilience of its capital, earnings sustainability and liquidity strength.

It forms an integral part of the ICAAP and risk management process, enabling the Group and the Bank to assess the impact on its capital adequacy in line with supervisory expectations and requirements.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

3. Capital Management (continued)

3.1 Internal Capital Adequacy Assessment Process ('ICAAP') (continued)

The Group's and the Bank's stress testing has the following objectives:

- to identify and quantify vulnerabilities of the portfolio under stressed conditions;
- to develop appropriate strategies for mitigating and actively managing such risks under stressed conditions, e.g. setting of risk appetite, restructuring positions and contingency plans;
- to evaluate the capacity to withstand stressed situations in terms of solvency; and
- to produce stress test results as an input in determining the internal capital threshold.

3.2 Capital Structure

The total capital and capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components).

The Group and the Bank are currently adopting the Standardised Approach for Credit Risk, Market Risk and Operational Risk. In line with the transitional arrangements under the BNM's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for Common Equity Tier 1 Capital Ratio ('CET1') and Tier 1 Capital Ratio are 7.000% (2024: 7.000%) and 8.500% (2024: 8.500%) respectively for year 2025. The minimum regulatory capital adequacy requirement is 10.500% (2024: 10.500%) for total capital ratio.

The following table sets forth further details on the capital resources and capital adequacy ratios for the Group and the Bank as at 31 December 2025.

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Paid-up share capital	5,488,544	5,488,544	5,488,544	5,488,544
Retained profits	5,884,406	5,465,488	4,351,086	4,126,004
Unrealised gains on FVOCI instruments	228,942	170,624	228,752	207,027
Other disclosed reserves	22,601	3,493	36,770	17,241
Foreign exchange reserves	–	–	–	–
	11,624,493	11,128,149	10,105,152	9,838,816
Less: Regulatory adjustments				
Goodwill and other intangibles	(730,918)	(762,096)	(285,233)	(314,681)
Deferred tax assets	(88,595)	(114,938)	(27,914)	(43,840)
55% cumulative unrealised gains on FVOCI instruments	(125,918)	(93,843)	(125,814)	(113,865)
Investment in subsidiaries, joint ventures and associates	(853,315)	(830,917)	(3,982,421)	(3,981,229)
CET1 capital	9,825,747	9,326,355	5,683,770	5,385,201

BASEL II Pillar 3 Disclosures

As at 31 December 2025

3. Capital Management (continued)

3.2 Capital Structure (continued)

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Additional Tier 1 Capital				
Additional Tier 1 Capital	1,000,000	1,000,000	500,000	500,000
	1,000,000	1,000,000	500,000	500,000
Total Tier 1 Capital	10,825,747	10,326,355	6,183,770	5,885,201
Subordinated term financing and medium term notes (MTNs)	1,000,000	1,000,000	500,000	500,000
Qualifying loss provisions [#]	842,485	713,313	504,673	380,792
Less: Regulatory adjustments				
Investment in capital instruments of unconsolidated financial and insurance entities	–	–	–	–
Total Tier 2 capital	1,842,485	1,713,313	1,004,673	880,792
Total capital	12,668,232	12,039,668	7,188,443	6,765,993
Risk weighted assets for:				
Credit risk	67,398,770	63,843,561	40,373,856	40,161,190
Market risk	2,335,619	2,839,765	1,615,760	2,005,594
Operational risk	3,561,845	3,877,820	1,957,359	2,175,932
Total risk weighted assets	73,296,234	70,561,146	43,946,975	44,342,716
Capital adequacy ratios:				
CET1 capital ratio	13.406%	13.217%	12.933%	12.145%
Tier 1 capital ratio	14.770%	14.635%	14.071%	13.272%
Total capital ratio	17.284%	17.063%	16.357%	15.258%
<u>Net of proposed dividends (Note 1)</u>				
CET1 capital ratio	13.338%	13.217%	12.821%	12.145%
Tier 1 capital ratio	14.703%	14.635%	13.959%	13.272%
Total capital ratio	17.216%	17.063%	16.245%	15.258%

[#] Qualifying loss provisions are restricted to allowances on the unimpaired portion of the loans, advances and other financing.

Note 1:

In accordance with the Implementation Guidance on Capital Adequacy Framework (Capital Components) dated 9 December 2020, under the Dividend Reinvestment Plan ("DRP"), where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of the declared dividend to be deducted from the Group and the Bank's CET1 Capital may be reduced as follows:

- (i) where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend; or
- (ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates or if less than 3 preceding years, the available average historical take-up rates, subject to the amount being not more than 50% of the total electable portion of the dividend.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

3. Capital Management (continued)

3.2 Capital Structure (continued)

In arriving at the capital adequacy ratios, the portion of the proposed dividends where no irrevocable written undertaking from shareholders to reinvest the electable portion into new ordinary shares of the Bank is obtained, is assumed to be paid in cash and has been deducted from the calculation of CET1 Capital.

In accordance with BNM's Guidelines on Investment Account, the credit and market risk weighted on the assets funded by the RIA are included in calculation of capital adequacy for the Bank. As at 31 December 2025, RIA assets included in the Total Capital Ratio calculation amounted to RM2,553.3 million (31 December 2024: RM3,259.6 million).

The Group and the Bank have issued capital instruments which qualify as components of regulatory capital under the BNM CAF (Capital Components), as summarised in the following table:

	RM500 million 5.70% Non-Convertible Perpetual Additional Tier 1 Capital Securities Non-Callable 5 Years	RM500 million 5.10% Non-Convertible Perpetual Additional Tier 1 Sukuk Wakalah	RM500 million 5% Non-Convertible 10Y Non-callable 5Y Tier 2 Subordinated Medium Term Notes	RM500 million 4.66% Non-Convertible 10Y Non-callable 5Y Tier 2 Sukuk Murabahah
Issuer	Affin Bank Berhad	Affin Islamic Bank Berhad	Affin Bank Berhad	Affin Islamic Bank Berhad
Governing laws	Laws of Malaysia	Laws of Malaysia	Laws of Malaysia	Laws of Malaysia
Instrument type	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2
Programme size	RM3 billion	RM5 billion	RM6 billion	RM5 billion
Par value of instrument	RM500 million	RM500 million	RM500 million	RM500 million
Original date of issuance	23-Jun-23	10-Oct-23	26-Jul-22	13-Oct-23
Perpetual or dated	Perpetual	Perpetual	Dated	Dated
Original maturity date	No Maturity	No Maturity	26-Jul-32	13-Oct-33
Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
First call date	23-Jun-28	10-Oct-28	26-Jul-27	13-Oct-28
Fixed or floating dividend/ coupon	Fixed	Fixed	Fixed	Fixed
Coupon rate	5.7% p.a.	5.1% p.a.	5% p.a.	4.66% p.a.
Convertibility of Issuance	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
Details of security/ collateral pledged	Unsecured	Unsecured	Unsecured	Unsecured
Position in subordination hierarchy in liquidation	Immediately subordinated to Tier 2 capital instruments	Immediately subordinated to Tier 2 capital instruments	Immediately subordinated to senior creditors	Immediately subordinated to senior creditors

3.3 Capital Adequacy

The Group and the Bank have in place an internal limit for its CET1 capital ratio, Tier I capital ratio and Total capital ratio, which is guided by the need to maintain a prudent relationship between available capital and the risks of its underlying businesses. The capital management process is monitored by senior management through periodic reviews.

Refer to Appendix I.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

4. Risk Management Objectives and Policies

The Group and the Bank are principally engaged in all aspects of banking and related financial services. The principal activities of the Bank's subsidiaries are Islamic banking business, investment banking, stockbroking activities, dealing in options and futures, property management services, nominee and trustee services.

The Group's and the Bank's business activities involved the analysis, measurement, management and acceptance of risks. The Group and the Bank operate its business activities within well-defined risk acceptance criteria and do not enter into transactions where the risks cannot be quantified or managed. The Group and the Bank do not enter into transactions where the risks arising from the same cannot be administered, quantified, monitored or valued. The Group and the Bank do not deal with persons of questionable integrity.

The Group and the Bank have established robust and comprehensive risk management policies and framework based on best practices, to ensure that the salient risk elements in the operations of the Group and the Bank are adequately managed and mitigated.

The risk management policies are established to identify, assess, measure, control and mitigate all key risks, as well as manage and monitor the risk positions. The risk measurement tools employed are commonly used in market practices and commensurate with the size and complexity of the Group's and the Bank's business operations.

The risk management policies and systems are reviewed regularly to reflect changes in markets, products and best practices in risk management processes. The Group's and the Bank's aim are to achieve an appropriate balance between risk and return as well as minimise any potential adverse effects.

5. Credit Risk

5.1 Credit Risk Management Objectives and Policies

Credit risk is the risk that a counterparty will fail to meet its contractual obligations which could result in a financial loss to the Group and the Bank. The Group's and the Bank's exposure to credit risks arises primarily from stockbroking trade receivables, share margin financing, corporate/inter-bank lending activities, bonds investment, foreign exchange trading as well as equity and debt underwriting and from participation in securities settlements and payment transactions.

The management of credit risk is governed by a set of approved credit policies, guidelines and procedures to ensure that the overall lending objectives are in compliance with the internal and regulatory requirements. The risk management policies are subject to review by the Group Board Risk Management Committee, a sub-committee of the Board that reviews the adequacy of the Group's and the Bank's risk policies and framework. The Group's and the Bank's credit risk framework is further strengthened through an established process for the approval and review of proposals that comprises the Group Management Credit Committee ('GMCC') and the Group Board Credit Review and Recovery Committee ('GBCRRC').

The GMCC represents the approving authority for credit and underwriting proposals, whilst the GBCRRC is the committee that reviews proposals that exceed specified limits and criteria, as well as to consider whether to reject the proposal or modify the terms of the proposal.

The Group and the Bank recognise that learning is a continuous journey and is committed to enhancing the knowledge and skills set of its staff. It places strong emphasis on creating and enhancing risk awareness in the organisation.

The Group and the Bank is supportive of credit officers in pursuing credit certification programmes offered by the Asian Institute of Chartered Bankers ('AICB'). Upon attaining the Chartered Banker certification, credit officers are expected to demonstrate sound understanding of credit process and competence to undertake credit roles and responsibilities.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.2 Application of Standardised Approach for Credit Risk

The Group and the Bank use the following External Credit Assessment Institutions ('ECAIs') to determine the risk weights for the rated credit exposures:-

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

The external ratings of the ECAIs are used to determine the risk weights of the following types of exposure: sovereigns, banks, public sector entities and corporates.

The mapping of the rating categories of different ECAIs to the risk weights is in accordance with BNM guidelines. In cases where there is no issuer or issue rating, the exposures are treated as unrated and accorded a risk weight appropriate for unrated exposure in the respective category.

The following is a summary of the prescribed rules governing the Standardised Approach for rated and unrated exposures.

Long Term Credit Rating Category by ECAIs under Standardised Approach:

Rating Category	External Credit Assessment Institutions (ECAIs)				
	S&P	Moody's	Fitch	RAM	MARC
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-	A1 to A3	A+ to A-
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB1 to BBB3	BBB+ to BBB-
4	BB+ to B-	Ba1 to B3	BB+ to B-	BB1 to B3	BB+ to B-
5	CCC+ to D	Caa1 to C	CCC+ to D	C1 to D	C+ to D
Unrated	Unrated				

Long term Credit Rating Risk Weight Category by ECAIs under Standardised Approach for Banking Institution, Corporate and Sovereign & Central Bank:

Rating Category	Risk weights based on Credit Ratings of the Counterparty Exposure Class		
	Corporate	Banking Institutions	Sovereign & Central Bank
1	20%	20%	0%
2	50%	50%	20%
3	100%	50%	50%
4	150%	100%	100%
5	150%	150%	150%
Unrated	100%	50%	100%

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.2 Application of Standardised Approach for Credit Risk (continued)

Short term Credit Rating Category by ECAs under Standardised Approach:

Rating Category	External Credit Assessment Institutions (ECAIs)				
	S&P	Moody's	Fitch	RAM	MARC
1	A-1	P-1	F1+, F1	P-1	MARC-1
2	A-2	P-2	F2	P-2	MARC-2
3	A-3	P-3	F3	P-3	MARC-3
4	Others	Others	B to D	NP	MARC-4

Short term Credit Rating Risk Weight Category by ECAs under Standardised Approach for Banking Institution and Corporate:

Rating Category	Risk weights based on Credit Ratings of the Counterparty Exposure Class	
	Corporate	Banking Institutions
1	20%	20%
2	50%	50%
3	100%	100%
4	150%	150%

Refer to Appendix II and Appendix III.

5.3 Credit Risk Evaluation

Credit evaluation is the process of analysing the creditworthiness of a prospective counterparty against the Group's and the Bank's underwriting criteria and the ability of the Group and the Bank to make a return commensurate to the level of risk undertaken. Apart from conducting a holistic risk assessment on the prospective counterparty, a critical element in the evaluation process is the assignment of a credit risk grade to the counterparty. This assists in the risk assessment and decision-making process. A number of relevant qualitative and quantitative factors are taken into consideration in the identification and analysis of a counterparty's credit risk. Each counterparty is assigned a credit rating which considers factors such as competitive position, operating performance, cash flow financial strength and management strength. The Group and the Bank have developed internal rating models to support the assessment and quantification of credit risk.

A number of relevant qualitative and quantitative factors are taken into consideration in the identification and analysis of a counterparty's credit risk. Each counterparty is assigned a credit rating which considers factors such as competitive position, operating performance, cash flow strength and management strength.

5.4 Risk Limit Control and Mitigation Policies

All corporate lending/financing, underwritings and corporate debt securities investments/sukuk are independently evaluated by the Group's and Bank's credit management function and approved by the relevant approving authorities based on the Authority Matrix approved by the Board.

For consumer mass market products, statistically developed application scorecards are used to assess the risks associated with the credit application as a decision support tool at loans, advances and financing origination. For share margin financing, the credit decisions are guided by an internally developed rating scorecard as well as other terms and conditions stipulated in the Group's and the Bank's Margin Financing Policy. The credit risk of share margin financing is largely mitigated by the holding of collateral in the form of marketable securities.

The Group and the Bank employ various policies and practices to control and mitigate credit risk.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.4 Risk Limit Control and Mitigation Policies (continued)

Lending/Financing limits

The Group and the Bank establish internal limits and related lending guidelines to manage large exposures and avoid undue concentration of credit risk in its credit portfolio. The limits include single customer groupings, connected parties and industry segments. These risks are monitored regularly and the limits reviewed annually or sooner depending on changing market and economic conditions.

The credit risk exposure for derivatives due to potential exposure arising from market movements, and loan/financing books are managed on an aggregated basis as part of the overall lending/financing limits with customers.

Collateral

Credits are established against customer's capacity to pay rather than to rely solely on collateral. However, collateral may be taken to mitigate credit risk.

The main collateral types accepted and ascribed value by the Group and the Bank are:

- Mortgage over residential real estate;
- Charges over commercial real estate or vehicles financed;
- Charges over business assets such as business properties, equipment and fixed deposits;
- Charges over financial instruments such as marketable securities; and
- Debentures, personal guarantees and corporate guarantees.

Where relevant, the Group and the Bank undertake a valuation of the collateral obtained as part of the loan/financing origination process. This assessment is reviewed periodically.

Term loan/financing and lending to corporate entities are generally secured, while revolving individual credit facilities are generally unsecured.

Collateral held as security for financial assets other than loans, advances and financing depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments. Derivatives are also collateralised.

The Group's and the Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group and the Bank since the prior period.

Guarantee

A guarantee is a legally binding contractual commitment made to the Bank that ensures that the guarantor is legally responsible to meet the obligations of a borrower in the event the borrower fails to pay.

The Group and the Bank may substitute its exposure to the direct counterparty with an exposure to the guarantor or protection provided that the guarantor or protection provider is of a better rating than the direct counterparty, and that the guarantee or the protection is irrevocable and unconditional. However, where the direct counterparty and the guarantor or protection provider are connected, the exposure shall be treated as a single group exposure.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.4 Risk Limit Control and Mitigation Policies (continued)

Offsetting financial instruments

The Group and the Bank also uses legal agreements to reduce credit risk, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Credit related commitments

Commitment to extend credit represents unutilised portion of approved credit in the form of loans/financing, guarantees or letters of credit. Unutilised credits give rise to potential or contingent credit losses to the Group and the Bank in an amount equal to the total unutilised commitments. The Group and the Bank manage and mitigate the amount of potential and contingent losses arising from unutilised credit lines by imposing minimum specific credit standards on counterparties.

The Group and the Bank monitor the term to maturity of credit commitments as longer-term commitments generally have a greater degree of credit risk than short-term commitments.

Refer to Appendix IV (a) to (b).

5.5 Credit Risk Measurement

Credit risk grades

The Group and the Bank allocate a credit risk grade to each exposure. Credit risk grades are indicative of the risk of default and are generated using qualitative and quantitative factors which are supplemented by experienced credit judgement. These inputs vary depending on the nature of the exposure and the type of customer.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in Probability of Default ('PD') and qualitative factors, including a backstop based on delinquency.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's and the Bank's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

Using its expert credit judgement and, where possible, relevant historical experience, the Group and the Bank may determine that an exposure has undergone a significant increase in credit risk ('SICR') based on qualitative indicators that it considers are indicative of such and which effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group and the Bank consider that a significant increase in credit risk is presumed if a borrower/customer is more than 30 days or 1 month past due. Days or months past due are determined by the number of days or month since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Group and the Bank monitor the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.5 Credit Risk Measurement (continued)

Measurement of expected credit losses ('ECL')

The Group and the Bank use three categories for financial instruments at fair value through other comprehensive income ('FVOCI') and amortised cost for recognising ECL.

Category	Definition	Basis for recognising
Performing accounts (Stage 1)	<ul style="list-style-type: none"> Financial assets that do not have significant increase in credit risk since initial recognition of the asset and therefore, less likely to default; Performing accounts with credit grade 13 or better; Accounts past due for less than or equal to 30 days; or For early control accounts where one that has risk or potential weakness which if left unchecked, may result in significant deterioration of repayment prospect and transfer to Underperforming status (Stage 2) or worse. 	12 months ECL
Underperforming accounts (Stage 2)	<ul style="list-style-type: none"> An account with significant increase in credit risk since initial recognition and if left uncorrected, may result in impairment of the account within the next 12 months; Accounts past due for more than 30 days or 1 month but up to 90 days or 3 months; Account demonstrating critical level of risk and therefore, assigned credit grade 14 and placed under Watchlist; or Restructuring and rescheduling ('R&R') due to significant increase in credit risk. 	Lifetime ECL – not credit impaired
Impaired accounts (Stage 3)	<ul style="list-style-type: none"> Impaired credit; Credit grade 15 or worse; Accounts past due more than 90 days or 3 months; or R&R which warrants a reclassification to Stage 3. 	Lifetime ECL – not credit impaired
Write-off	<ul style="list-style-type: none"> Evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income; or Assets unable to generate sufficient future cash flows to repay the amount. 	Asset is written off

The Group and the Bank have not used the low credit risk exemption for any financial instrument for the financial year ended 31 December 2025.

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default ('PD');
- loss given default ('LGD'); and
- exposure at default ('EAD').

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.5 Credit Risk Measurement (continued)

Measurement of ECL (continued)

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD is the likelihood of a counterparty defaulting on its contractual obligations over a given time horizon and are estimates at a certain date, which are calculated based on statistical models. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

The Group and the Bank collect performance and default information relating to its credit risk exposures which are analysed by type of product and customer as well as by credit risk grading. For some portfolios, information from external credit assessment institutions are also used.

The Group and the Bank employ statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change with time.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile is used to determine how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the financing. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

LGD is the magnitude of loss in an event of a default. LGD parameters are estimated based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective profit rate as the discounting factor.

EAD represents the exposure outstanding in the event of a default. The Group and the Bank derive the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For financing commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

The 12-month and lifetime EAD are determined based on the expected payment profile, which varies by product type.

ECL is determined by projecting the PD, LGD and EAD at each future point on a yearly basis on individual exposures, or collective segments, and discounting these monthly expected losses back to the reporting date. The discount rate used in the ECL calculation is the original profit rate or an approximation thereof.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group and the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group and the Bank consider a longer period. The maximum contractual period extends to the date at which the Group and the Bank have the right to require repayment of an advance or terminate a loan commitment or guarantee.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.5 Credit Risk Measurement (continued)

Measurement of ECL (continued)

Forward looking economic information is also included in determining the 12-month and lifetime PD, LGD and EAD.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics which include:

- product/instrument type;
- past due status;
- credit risk grading;
- collateral type;
- date of initial recognition; and
- remaining term to maturity.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period that have material impact to ECL.

Incorporation of forward-looking information

The Group and the Bank incorporate forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. A 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios are formulated.

This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities.

The base case represents a most-likely outcome and is aligned with information used by the Group and the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group and the Bank carry out stress testing which involves more extreme shocks to calibrate its determination of these other representative scenarios.

The Group and the Bank have identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 3 years.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.6 Credit Risk Monitoring

Corporate credits and large individual accounts are subject to ongoing monitoring. This is to ensure that the credit grades remain appropriate and to detect any signs of weaknesses or deterioration in the credit quality. Appropriate remedial action is taken where evidence of deterioration exists.

The credit monitoring process is also to identify significant increase in credit risk as a means to pro-actively report and manage potentially deteriorating credit quality. Watchlist accounts are closely reviewed and monitored with appropriate corrective measures employed to prevent further credit deterioration into impaired status. Watchlist accounts are either managed up or managed out within a period of twelve months.

The Group and the Bank have established MFRS 9 - Stage Transfer Policy to provide guidance in determining significant increases in credit risk of financial assets. There are 3 stages to differentiate the credit risk of financial assets in conjunction with MFRS 9 standards: Performing Accounts (Stage 1), Underperforming Accounts (Stage 2) and Impaired Accounts (Stage 3).

Active portfolio monitoring, thematic reviews, as well as exception reporting are in place to identify, analyse and managed the overall risk profile to mitigate adverse trends or specific areas of risk concerns.

The Group and the Bank conduct post-mortem reviews on newly impaired loans/financing and relapsed impaired loans/financing to determine the key reason(s) and/or driver(s) leading to the account being classified as impaired. The findings are communicated at both management and Board levels as lessons learned which are used to assist in formulating appropriate remedial actions or measures to minimise potential or future credit loss from similar or repeat events.

In addition, post-approval independent credit review is undertaken by the Group and the Bank to ensure that credit decision-making is consistent with the overall credit risk appetite and strategy.

5.7 Credit Quality of Financial Assets

Total loans, advances and other financing – credit quality

All loans, advances and other financing are categorised into 'neither past due nor impaired', 'past due but not impaired' and 'impaired'.

Past due loans/financing refers to loans, advances and other financing that are overdue by one day or more.

Loans, advances and other financing are classified as impaired when they fulfill any of the following criteria:

- i. the principal or interest/profit or both is past due for more than 90 days or 3 months from the first day of default; or
- ii. where the account is in arrears for less than 90 days or 3 months, but there is evidence of impairment to indicate that the borrower/customer is 'unlikely to meet' its credit obligations.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.7 Credit Quality of Financial Assets (continued)

Analysed by economic sectors

	Past Due But Not Credit-impaired		Impaired	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Group 31.12.2025				
Primary agriculture	5,670	13,324	741	19,735
Mining and quarrying	597	913	7,418	8,928
Manufacturing	22,262	87,376	75,861	185,499
Electricity, gas and water supply	1,298	1,635	4,065	6,998
Construction	66,173	31,307	95,504	192,984
Real estate	367,585	26,444	148,236	542,265
Wholesale & retail trade and restaurants & hotels	99,225	205,132	278,834	583,191
Transport, storage and communication	47,194	49,435	109,651	206,280
Finance, insurance/takaful and business services	43,933	40,867	33,040	117,840
Education, health and others	113,633	65,653	14,572	193,858
Household	2,800,428	2,198,339	535,593	5,534,360
	3,567,998	2,720,425	1,303,515	7,591,938

	Past Due But Not Credit-impaired		Impaired	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Group 31.12.2024				
Primary agriculture	14,142	8,613	10,510	33,265
Mining and quarrying	15,381	1,224	8,811	25,416
Manufacturing	219,554	104,473	56,684	380,711
Electricity, gas and water supply	2,198	2,004	11,499	15,701
Construction	269,755	83,735	138,757	492,247
Real estate	505,122	85,388	338,063	928,573
Wholesale & retail trade and restaurants & hotels	141,153	129,037	220,703	490,893
Transport, storage and communication	112,059	25,137	93,589	230,785
Finance, insurance/takaful and business services	482,225	48,099	26,509	556,833
Education, health and others	33,226	27,594	14,186	75,006
Household	3,887,101	1,619,596	478,694	5,985,391
	5,681,916	2,134,900	1,398,005	9,214,821

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.7 Credit Quality of Financial Assets (continued)

Analysed by economic sectors (continued)

	Past Due But Not Credit-impaired		Impaired	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Bank 31.12.2025				
Primary agriculture	4,258	8,729	551	13,538
Mining and quarrying	590	8	7,365	7,963
Manufacturing	16,770	44,436	69,988	131,194
Electricity, gas and water supply	795	1,546	4,065	6,406
Construction	33,541	18,422	72,405	124,368
Real estate	362,752	21,989	139,279	524,020
Wholesale & retail trade and restaurants & hotels	53,820	144,557	231,640	430,017
Transport, storage and communication	33,451	20,936	101,820	156,207
Finance, insurance and business services	22,657	23,379	19,161	65,197
Education, health and others	106,075	2,337	12,523	120,935
Household	1,197,182	1,093,090	332,277	2,622,549
	1,831,891	1,379,429	991,074	4,202,394

	Past Due But Not Credit-impaired		Impaired	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Bank 31.12.2024				
Primary agriculture	6,637	8,152	10,334	25,123
Mining and quarrying	182	201	8,811	9,194
Manufacturing	179,316	44,205	50,259	273,780
Electricity, gas and water supply	830	2,004	11,457	14,291
Construction	43,058	23,465	110,502	177,025
Real estate	362,378	77,224	297,531	737,133
Wholesale & retail trade and restaurants & hotels	78,794	66,803	174,156	319,753
Transport, storage and communication	46,312	16,939	86,404	149,655
Finance, insurance and business services	27,855	29,228	12,613	69,696
Education, health and others	7,685	23,019	11,889	42,593
Household	1,160,948	760,137	293,081	2,214,166
	1,913,995	1,051,377	1,067,037	4,032,409

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.7 Credit Quality of Financial Assets (continued)

Analysed by economic sectors (continued)

Expected credit losses

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	Total
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Group 31.12.2025				
Primary agriculture	3,763	5,008	566	9,337
Mining and quarrying	1,092	250	7,374	8,716
Manufacturing	5,054	36,291	34,808	76,153
Electricity, gas and water supply	2,328	501	4,065	6,894
Construction	3,616	15,306	77,319	96,241
Real estate	7,104	9,639	26,759	43,502
Wholesale & retail trade and restaurants & hotels	11,700	59,046	158,431	229,177
Transport, storage and communication	7,634	6,371	21,081	35,086
Finance, insurance/takaful and business services	4,474	17,349	12,595	34,418
Education, health and others	6,379	9,357	5,170	20,906
Household	101,766	154,982	148,152	404,900
Government	–	–	–	–
	154,910	314,100	496,320	965,330

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	Total
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Group 31.12.2024				
Primary agriculture	4,092	8,159	9,236	21,487
Mining and quarrying	107	443	7,554	8,104
Manufacturing	6,523	38,828	25,455	70,806
Electricity, gas and water supply	479	1,177	5,979	7,635
Construction	3,538	15,852	75,182	94,572
Real estate	10,919	21,626	79,230	111,775
Wholesale & retail trade and restaurants & hotels	13,888	87,091	124,650	225,629
Transport, storage and communication	9,545	6,359	11,100	27,004
Finance, insurance/takaful and business services	2,435	86,267	12,771	101,473
Education, health and others	4,037	110,074	4,782	118,893
Household	93,622	128,613	142,954	365,189
Government	–	1	2	3
	149,185	504,490	498,895	1,152,570

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.7 Credit Quality of Financial Assets (continued)

Analysed by economic sectors (continued)

Expected credit losses (continued)

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	Total
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Bank				
31.12.2025				
Primary agriculture	2,841	4,694	374	7,909
Mining and quarrying	1,040	123	7,365	8,528
Manufacturing	2,741	20,732	32,359	55,832
Electricity, gas and water supply	1,207	417	4,065	5,689
Construction	2,139	6,872	73,767	82,778
Real estate	5,980	7,664	20,618	34,262
Wholesale & retail trade and restaurants & hotels	7,505	41,645	139,662	188,812
Transport, storage and communication	6,929	3,225	15,706	25,860
Finance, insurance and business services	3,277	12,285	7,159	22,721
Education, health and others	5,434	1,606	4,621	11,661
Household	50,418	81,764	93,324	225,506
Government	–	–	–	–
	89,511	181,027	399,020	669,558

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	Total
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Bank				
31.12.2024				
Primary agriculture	3,495	7,876	9,136	20,507
Mining and quarrying	69	266	7,554	7,889
Manufacturing	4,216	20,530	22,500	47,246
Electricity, gas and water supply	416	1,172	5,962	7,550
Construction	2,247	13,586	65,112	80,945
Real estate	9,573	20,233	47,815	77,621
Wholesale & retail trade and restaurants & hotels	9,469	57,464	101,623	168,556
Transport, storage and communication	8,553	4,747	5,890	19,190
Finance, insurance and business services	1,454	78,979	5,857	86,290
Education, health and others	2,051	3,138	3,700	8,889
Household	42,082	78,679	86,424	207,185
Government	–	–	–	–
	83,625	286,670	361,573	731,868

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.7 Credit Quality of Financial Assets (continued)

Analysed by economic sectors (continued)

Expected credit losses written-off

	The Group		The Bank	
	Write-Offs for Lifetime ECL Credit Impaired (Stage 3)		Write-Offs for Lifetime ECL Credit Impaired (Stage 3)	
	31.12.2025 RM'000	31.12.2024 RM'000	31.12.2025 RM'000	31.12.2024 RM'000
Primary agriculture	7,870	134	7,749	43
Mining and quarrying	108	1,083	108	1,083
Manufacturing	3,875	3,690	2,759	2,617
Electricity, gas and water supply	-	1	-	1
Construction	18,963	5,182	12,536	3,259
Real estate	43,054	4,119	19,006	4,119
Wholesale & retail trade and restaurants & hotels	16,115	120,030	7,375	116,005
Transport, storage and communication	3,713	3,715	2,153	2,978
Finance, insurance/takaful and business services	1,484	3,640	1,197	832
Education, health and others	841	242	80	60
Household	103,528	109,787	58,098	65,307
Others	-	-	-	-
	199,551	251,623	111,061	196,304

Analysed by geographical area

The Group	Past Due But Not Credit-impaired		Impaired	Total
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
31.12.2025				
Perlis	6,538	45,797	4,517	56,852
Kedah	240,939	119,479	35,350	395,768
Pulau Pinang	150,085	115,200	66,686	331,971
Perak	102,166	72,339	76,834	251,339
Selangor	1,087,059	1,028,640	449,512	2,565,211
Wilayah Persekutuan	413,813	400,564	389,214	1,203,591
Negeri Sembilan	176,163	178,029	33,462	387,654
Melaka	64,761	70,453	71,999	207,213
Johor	470,194	379,679	107,849	957,722
Pahang	84,446	62,799	22,508	169,753
Terengganu	70,911	41,794	5,172	117,877
Kelantan	48,968	51,900	10,952	111,820
Sarawak	127,586	65,361	14,524	207,471
Sabah	164,243	85,784	14,819	264,846
Labuan	401	2,452	111	2,964
Outside Malaysia	359,725	155	6	359,886
	3,567,998	2,720,425	1,303,515	7,591,938

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.7 Credit Quality of Financial Assets (continued)

Analysed by geographical area (continued)

The Group 31.12.2024	Past Due But Not Credit-impaired		Impaired	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
Perlis	6,022	3,186	3,962	13,170
Kedah	124,694	141,786	61,163	327,643
Pulau Pinang	177,258	94,907	68,942	341,107
Perak	104,227	62,672	125,371	292,270
Selangor	1,420,886	698,026	467,092	2,586,004
Wilayah Persekutuan	1,922,549	390,528	421,591	2,734,668
Negeri Sembilan	181,748	124,560	36,266	342,574
Melaka	58,449	53,873	77,180	189,502
Johor	647,488	323,532	66,798	1,037,818
Pahang	77,836	40,757	35,053	153,646
Terengganu	61,619	30,334	4,028	95,981
Kelantan	42,197	37,358	9,080	88,635
Sarawak	130,277	61,395	7,286	198,958
Sabah	165,949	71,748	14,193	251,890
Labuan	28,153	134	–	28,287
Outside Malaysia	532,564	104	–	532,668
	5,681,916	2,134,900	1,398,005	9,214,821

The Bank 31.12.2025	Past Due But Not Credit-impaired		Impaired	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
Perlis	1,234	821	95	2,150
Kedah	129,642	35,382	11,225	176,249
Pulau Pinang	74,836	65,512	50,668	191,016
Perak	29,990	32,222	65,882	128,094
Selangor	467,092	539,494	324,184	1,330,770
Wilayah Persekutuan	196,265	232,340	331,118	759,723
Negeri Sembilan	64,311	68,322	18,343	150,976
Melaka	22,912	42,050	63,535	128,497
Johor	266,417	232,072	84,462	582,951
Pahang	18,968	19,736	14,941	53,645
Terengganu	4,119	2,217	928	7,264
Kelantan	1,468	1,030	787	3,285
Sarawak	90,004	47,428	13,393	150,825
Sabah	104,859	58,260	11,507	174,626
Labuan	107	2,452	–	2,559
Outside Malaysia	359,667	91	6	359,764
	1,831,891	1,379,429	991,074	4,202,394

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.7 Credit Quality of Financial Assets (continued)

Analysed by geographical area (continued)

The Bank 31.12.2024	Past Due But Not Credit-impaired		Impaired	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
Perlis	1,257	643	68	1,968
Kedah	31,200	25,698	37,471	94,369
Pulau Pinang	76,050	55,071	53,961	185,082
Perak	43,078	28,196	114,802	186,076
Selangor	454,018	348,274	317,513	1,119,805
Wilayah Persekutuan	201,431	187,349	367,969	756,749
Negeri Sembilan	61,813	48,496	22,192	132,501
Melaka	23,453	32,339	63,901	119,693
Johor	261,635	216,359	42,524	520,518
Pahang	25,858	13,420	28,217	67,495
Terengganu	2,478	2,298	578	5,354
Kelantan	2,494	1,086	360	3,940
Sarawak	97,527	35,677	6,761	139,965
Sabah	120,106	56,399	10,720	187,225
Labuan	22	19	-	41
Outside Malaysia	511,575	53	-	511,628
	1,913,995	1,051,377	1,067,037	4,032,409

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.7 Credit Quality of Financial Assets (continued)

Analysed by geographical area (continued)

Expected credit losses

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	Total
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Group				
31.12.2025				
Perlis	271	1,374	3,235	4,880
Kedah	5,112	17,914	12,931	35,957
Pulau Pinang	6,944	10,351	29,590	46,885
Perak	4,889	4,809	7,714	17,412
Selangor	48,208	122,539	186,332	357,079
Wilayah Persekutuan	31,703	61,232	173,684	266,619
Negeri Sembilan	5,182	14,012	7,573	26,767
Melaka	2,372	9,164	17,039	28,575
Johor	21,997	39,792	27,567	89,356
Pahang	3,969	4,393	13,202	21,564
Terengganu	4,468	2,687	1,564	8,719
Kelantan	2,408	12,904	5,340	20,652
Sarawak	8,282	4,503	4,506	17,291
Sabah	6,426	8,242	6,030	20,698
Labuan	400	173	10	583
Outside Malaysia	2,279	11	3	2,293
	154,910	314,100	496,320	965,330

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	Total
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Group				
31.12.2024				
Perlis	284	1,589	2,916	4,789
Kedah	4,716	22,512	41,473	68,701
Pulau Pinang	7,437	66,476	30,072	103,985
Perak	4,756	4,931	7,670	17,357
Selangor	45,894	198,486	161,727	406,107
Wilayah Persekutuan	26,262	140,322	163,324	329,908
Negeri Sembilan	6,072	7,810	7,773	21,655
Melaka	2,539	8,431	22,544	33,514
Johor	23,881	27,265	22,082	73,228
Pahang	4,568	2,839	23,128	30,535
Terengganu	5,220	1,598	1,762	8,580
Kelantan	2,203	8,184	4,446	14,833
Sarawak	7,052	6,460	2,869	16,381
Sabah	5,363	7,572	7,109	20,044
Labuan	1,542	2	–	1,544
Outside Malaysia	1,396	13	–	1,409
	149,185	504,490	498,895	1,152,570

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.7 Credit Quality of Financial Assets (continued)

Analysed by geographical area (continued)

Expected credit losses (continued)

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	Total
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Bank 31.12.2025				
Perlis	47	1,210	14	1,271
Kedah	1,282	3,744	6,597	11,623
Pulau Pinang	3,845	6,076	22,347	32,268
Perak	1,805	2,458	4,635	8,898
Selangor	26,056	75,185	148,105	249,346
Wilayah Persekutuan	21,060	45,763	159,669	226,492
Negeri Sembilan	2,021	4,891	3,635	10,547
Melaka	1,053	7,288	12,044	20,385
Johor	15,625	22,340	20,285	58,250
Pahang	1,648	1,472	11,311	14,431
Terengganu	2,637	370	473	3,480
Kelantan	500	101	641	1,242
Sarawak	5,955	3,364	4,057	13,376
Sabah	4,319	6,584	5,204	16,107
Labuan	327	173	–	500
Outside Malaysia	1,331	8	3	1,342
	89,511	181,027	399,020	669,558

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	Total
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
The Bank 31.12.2024				
Perlis	37	1,458	25	1,520
Kedah	1,201	2,669	32,853	36,723
Pulau Pinang	4,306	48,503	23,902	76,711
Perak	1,577	3,326	4,546	9,449
Selangor	24,968	63,558	92,322	180,848
Wilayah Persekutuan	15,521	127,496	148,373	291,390
Negeri Sembilan	1,989	1,475	3,531	6,995
Melaka	1,083	6,841	12,035	19,959
Johor	16,323	19,701	14,211	50,235
Pahang	1,885	1,143	20,386	23,414
Terengganu	3,505	137	322	3,964
Kelantan	177	182	209	568
Sarawak	5,040	3,333	2,759	11,132
Sabah	3,496	6,839	6,099	16,434
Labuan	1,133	1	–	1,134
Outside Malaysia	1,384	8	–	1,392
	83,625	286,670	361,573	731,868

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.7 Credit Quality of Financial Assets (continued)

Expected credit losses (continued)
Movement in expected credit loss for loans/financing

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total
The Group				
31.12.2025				
At beginning of the financial period	149,185	504,490	498,895	1,525,570
Total transfer between stages due to change in credit risk:	(921,851)	998,595	(76,744)	–
– Transfer to 12-month ECL (Stage 1)	114,401	(90,984)	(23,417)	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,032,306)	1,144,261	(111,955)	–
– Transfer to Lifetime ECL credit impaired (Stage 3)	(3,946)	(54,682)	58,628	–
Loans/financing derecognised (other than write-off)	(50,118)	(1,116,229)	(52,912)	(1,219,259)
New loans/financing originated or purchased	1,092,633	–	–	1,092,633
Changes due to change in credit risk	(114,777)	(72,620)	329,950	142,553
Write-off	–	–	(199,551)	(199,551)
Other adjustments	(160)	(136)	(3,320)	(3,616)
At end of the financial period	154,912	314,100	496,318	965,330

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total
The Group				
31.12.2024				
At beginning of the financial period	149,260	704,665	583,947	1,437,872
Total transfer between stages due to change in credit risk:	(116,467)	130,781	(14,314)	–
– Transfer to 12-month ECL (Stage 1)	111,925	(99,145)	(12,780)	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(198,254)	302,463	(104,209)	–
– Transfer to Lifetime ECL credit impaired (Stage 3)	(30,138)	(72,537)	102,675	–
Loans/financing derecognised (other than write-off)	(61,011)	(326,640)	(60,350)	(448,001)
New loans/financing originated or purchased	287,718	–	–	287,718
Changes due to change in credit risk	(110,326)	(4,427)	203,793	89,040
Write-off	–	–	(251,623)	(251,623)
Other adjustments	11	111	37,442	37,564
At end of the financial period	149,185	504,490	498,895	1,152,570

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.7 Credit Quality of Financial Assets (continued)

Expected credit losses (continued)

Movement in expected credit loss for loans/financing (continued)

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	
The Bank 31.12.2025	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total
At beginning of the financial period	83,625	286,670	361,573	731,868
Total transfer between stages due to change in credit risk:	11,158	22,768	(33,926)	–
– Transfer to 12-month ECL (Stage 1)	64,183	(50,329)	(13,854)	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(49,108)	107,338	(58,230)	–
– Transfer to Lifetime ECL credit impaired (Stage 3)	(3,917)	(34,241)	38,158	–
Loans/financing derecognised (other than write-off)	(32,890)	(42,335)	(48,720)	(123,945)
New loans/financing originated or purchased	85,238	–	–	85,238
Changes due to change in credit risk	(57,516)	(85,944)	239,618	96,158
Write-off	–	–	(111,061)	(111,061)
Other adjustments	(104)	(132)	(8,464)	(8,700)
At end of the financial period	89,511	181,027	399,020	669,558

	12-month ECL	Lifetime ECL Not credit impaired	Lifetime ECL credit impaired	
The Bank 31.12.2024	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total
At beginning of the financial period	95,645	392,797	469,349	957,791
Total transfer between stages due to change in credit risk:	(8,601)	(5,896)	14,497	–
– Transfer to 12-month ECL (Stage 1)	75,619	(70,871)	(4,748)	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(55,819)	109,686	(53,867)	–
– Transfer to Lifetime ECL credit impaired (Stage 3)	(28,401)	(44,711)	73,112	–
Loans/financing derecognised (other than write-off)	(44,492)	(123,972)	(42,443)	(210,907)
New loans/financing originated or purchased	117,434	–	–	117,434
Changes due to change in credit risk	(76,339)	23,717	91,322	38,700
Write-off	–	–	(196,304)	(196,304)
Other adjustments	(22)	24	25,152	25,154
At end of the financial period	83,625	286,670	361,573	731,868

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.8 Distribution of Credit Exposure

- (i) The following table depicts the Group's Gross Credit Exposure by Geographical Distribution based on the geographical location where the credit risk resides.

The Group Exposure class	31.12.2025			31.12.2024		
	Malaysia	Other countries	Total	Malaysia	Other countries	Total
<u>On Balance Sheet Exposures</u>						
Corporates	36,477,237	2,135,011	38,612,248	32,604,990	2,123,735	34,728,725
Regulatory Retail	21,981,426	4,912	21,986,338	28,354,316	3,856	28,358,172
Other Assets	5,782,753	–	5,782,753	6,795,096	–	6,795,096
Sovereigns/Central Banks	22,728,444	128,384	22,856,828	22,469,866	473,299	22,943,165
Banks, Development Financial Institutions & MDBs	5,655,070	260,852	5,915,922	2,652,955	1,505,526	4,158,481
Insurance/Takaful Companies, Securities Firms & Fund Managers	41,053	–	41,053	54,890	–	54,890
Residential Mortgages	23,496,482	10,813	23,507,295	13,158,288	–	13,158,288
Higher Risk Assets	38,265	–	38,265	65,575	–	65,575
Defaulted Exposures	816,774	3	816,777	931,249	–	931,249
Total for On-Balance Sheet Exposures	117,017,504	2,539,975	119,557,479	107,087,225	4,106,416	111,193,641
<u>Off Balance Sheet Exposures</u>						
Over-the-counter ("OTC") derivatives	1,197,321	–	1,197,321	1,113,767	75,848	1,189,615
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	11,867,820	324,195	12,192,015	9,509,692	259,356	9,769,048
Defaulted Exposures	18,053	–	18,053	17,463	–	17,463
Total for Off-Balance Sheet Exposures	13,083,194	324,195	13,407,389	10,640,922	335,204	10,976,126
Total for On and Off-Balance Sheet Exposures	130,100,698	2,864,170	132,964,868	117,728,147	4,441,620	122,169,767

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.8 Distribution of Credit Exposure (continued)

- (i) The following table depicts the Group's Gross Credit Exposure by Geographical Distribution based on the geographical location where the credit risk resides.

The Bank Exposure class	31.12.2025			31.12.2024		
	Malaysia	Other countries	Total	Malaysia	Other countries	Total
<u>On Balance Sheet Exposures</u>						
Corporates	20,787,751	1,260,361	22,048,112	18,233,389	1,743,150	19,976,539
Regulatory Retail	9,096,876	2,349	9,099,225	17,909,875	2,027	17,911,902
Other Assets	4,664,187	–	4,664,187	5,213,941	–	5,213,941
Sovereigns/Central Banks	11,566,281	–	11,566,281	10,972,550	446,254	11,418,804
Banks, Development Financial Institutions & MDBs	6,020,426	15,637	6,036,063	3,850,470	1,299,298	5,149,768
Insurance Companies, Securities Firms & Fund Managers	15,536	–	15,536	15,679	–	15,679
Residential Mortgages	13,008,454	10,813	13,019,267	3,358,092	–	3,358,092
Higher Risk Assets	28,381	–	28,381	45,807	–	45,807
Defaulted Exposures	610,348	3	610,351	743,351	–	743,351
Total for On-Balance Sheet Exposures	65,798,240	1,289,163	67,087,403	60,343,154	3,490,729	63,833,883
<u>Off Balance Sheet Exposures</u>						
Over-the-counter ("OTC") derivatives	1,091,856	–	1,091,856	937,487	75,848	1,013,335
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	8,841,584	323,806	9,165,390	7,031,178	258,943	7,290,121
Defaulted Exposures	14,735	–	14,735	14,899	–	14,899
Total for Off-Balance Sheet Exposures	9,948,175	323,806	10,271,981	7,983,564	334,791	8,318,355
Total for On and Off-Balance Sheet Exposures	75,746,415	1,612,969	77,359,384	68,326,718	3,825,520	72,152,238

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.8 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Group's Gross Credit Exposure by Sectorial Analysis or Industry Distribution.

31.12.2025 Exposure class	The Group											Total			
	Primary agriculture	Mining and quarrying	Manufacturing	Electricity, gas and water supply	Construction	Real estate	Wholesale & retail trade and restaurants & hotels	Transport, storage and communication	Finance, insurance, takaful and business services	Education, health and others	Household		Others		
<u>On Balance Sheet Exposures</u>															
Corporates	1,529,595	887,302	4,084,992	2,198,674	2,599,488	5,208,217	5,097,653	3,107,814	5,123,621	2,281,948	6,113,890	379,054	38,612,248		
Regulatory Retail	83,781	15,219	464,907	12,684	368,649	189,083	1,037,472	287,657	421,913	125,873	18,978,189	911	21,986,338		
Other Assets	-	-	-	-	-	-	-	-	27,454	-	-	-	5,755,299		
Sovereigns/Central Banks	-	-	-	101,966	951,240	119,240	-	1,062,062	19,319,474	1,111,691	189	190,966	22,856,828		
Banks, Development Financial Institutions & MDBs	-	-	8,248	-	-	-	351	-	5,907,323	-	-	-	5,915,922		
Insurance/Takaful Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	536	-	40,517	-	-	-	41,053		
Residential Mortgages	-	-	-	-	-	-	-	-	-	-	23,507,295	-	23,507,295		
Higher Risk Assets	-	-	-	-	-	-	-	14,914	13,467	-	-	9,884	38,265		
Defaulted Exposures	196	44	42,329	-	18,675	121,528	123,109	89,655	22,663	9,420	389,158	-	816,777		
Total for On-Balance Sheet Exposures	1,613,572	902,565	4,600,476	2,313,324	3,938,052	5,638,068	6,259,121	4,562,102	30,876,432	3,528,932	48,988,721	6,336,114	119,557,479		
<u>Off Balance Sheet Exposures</u>															
Over-the-counter ("OTC") derivatives	-	-	28,261	7,465	2,359	11,418	3,262	4,209	1,053,807	85,977	563	-	1,197,321		
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	171,082	232,242	650,230	207,817	770,035	325,121	552,586	361,069	5,501,459	1,123,202	2,254,654	42,518	12,192,015		
Defaulted Exposures	-	220	21	-	9,435	-	426	167	154	-	7,630	-	18,053		
Total for Off-Balance Sheet Exposures	171,082	232,462	678,512	215,282	781,829	336,539	556,274	365,445	6,555,420	1,209,179	2,262,847	42,518	13,407,389		
Total for On and Off-Balance Sheet Exposures	1,784,654	1,135,027	5,278,988	2,528,606	4,719,881	5,974,607	6,815,395	4,927,547	37,431,852	4,738,111	51,251,568	6,378,632	132,964,868		

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.8 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Group's Gross Credit Exposure by Sectorial Analysis or Industry Distribution. (continued)

31.12.2024 Exposure class	The Group											Total	
	Primary agriculture	Mining and quarrying	Manufacturing	Electricity, gas and water supply	Construction	Real estate	Wholesale & retail trade and restaurants & hotels	Transport, storage and communication	Finance, insurance/takaful and business services	Education, health and others	Household		Others
<u>On Balance Sheet Exposures</u>													
Corporates	1,452,597	437,680	4,552,184	1,281,144	2,615,204	5,278,009	4,775,282	3,313,342	2,756,587	1,897,410	5,601,713	767,573	34,728,725
Regulatory Retail	94,863	10,646	495,830	8,946	407,552	189,476	1,173,271	352,269	448,395	138,018	25,037,339	1,567	28,358,172
Other Assets	-	-	-	-	-	-	-	-	26,188	-	-	-	6,768,908
Sovereigns/Central Banks	-	-	-	46,957	1,192,801	418,343	-	1,310,753	18,662,824	830,664	253	480,570	22,943,165
Banks, Development Financial Institutions & MDBs	2,857	-	-	-	-	-	835	-	4,153,279	1,510	-	-	4,158,481
Insurance/Takaful Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	675	-	54,215	-	-	-	54,890
Residential Mortgages	-	-	-	-	-	-	-	-	-	-	13,158,288	-	13,158,288
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	27,310	38,265	65,575
Defaulted Exposures	1,389	1,257	31,751	5,519	64,992	259,030	101,314	86,101	17,619	29,568	332,709	-	931,249
Total for On-Balance Sheet Exposures	1,551,706	449,583	5,079,765	1,342,566	4,280,549	6,144,858	6,051,377	5,062,465	26,119,107	2,897,170	44,157,612	8,056,883	111,193,641
<u>Off Balance Sheet Exposures</u>													
Over-the-counter ("OTC") derivatives	-	-	9,250	8,890	296	17,929	4,746	9,104	1,139,400	-	-	-	1,189,615
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	114,513	78,467	558,785	95,372	614,995	233,129	449,971	319,261	4,822,456	1,149,919	1,318,094	14,086	9,769,048
Defaulted Exposures	-	958	52	-	10,214	5	698	559	41	-	4,936	-	17,463
Total for Off-Balance Sheet Exposures	114,513	79,425	568,087	104,262	625,505	251,063	455,415	328,924	5,961,897	1,149,919	1,323,030	14,086	10,976,126
Total for On and Off-Balance Sheet Exposures	1,666,219	529,008	5,647,852	1,446,828	4,906,054	6,395,921	6,506,792	5,391,389	32,081,004	4,047,089	45,480,642	8,070,969	122,169,767

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.8 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Bank's Gross Credit Exposure by Sectorial Analysis or Industry Distribution. (continued)

31.12.2025 Exposure class	The Bank											Total	
	Primary agriculture	Mining and quarrying	Manufacturing	Electricity, gas and water supply	Construction	Real estate	Wholesale & retail trade and restaurants & hotels	Transport, storage and communication	Finance, insurance/ takaful and business services	Education, health and others	Household		Others
On Balance Sheet Exposures													
Corporates	951,381	550,422	2,626,378	1,251,107	1,435,644	3,489,208	3,623,085	2,350,265	3,399,313	1,475,506	678,999	216,804	22,048,112
Regulatory Retail	62,808	12,775	333,704	3,513	226,290	153,636	703,952	193,478	238,630	61,895	7,108,047	497	9,099,225
Other Assets	-	-	-	-	-	-	-	-	-	-	-	4,664,187	4,664,187
Sovereigns/Central Banks	-	-	-	-	653,276	-	-	591,341	9,920,023	358,056	187	43,398	11,566,281
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	351	-	6,027,464	-	-	-	6,036,063
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	536	-	15,000	-	-	-	15,536
Residential Mortgages	-	-	-	-	-	-	-	-	-	-	13,019,267	-	13,019,267
Higher Risk Assets	-	-	-	-	-	-	-	14,914	13,467	-	-	-	28,381
Defaulted Exposures	192	-	38,903	-	10,537	118,713	94,451	86,679	12,475	7,920	240,481	-	610,351
Total for On-Balance Sheet Exposures	1,014,381	563,197	3,007,233	1,254,620	2,325,747	3,761,557	4,422,375	3,236,677	19,626,372	1,903,377	21,046,981	4,924,886	67,087,403
Off Balance Sheet Exposures													
Over-the-counter ("OTC") derivatives	-	-	28,232	-	2,359	11,418	1,495	4,209	1,016,226	27,917	-	-	1,091,856
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	48,997	47,839	450,028	153,620	460,649	257,660	353,895	290,475	5,361,971	59,955	1,680,301	-	9,165,390
Defaulted Exposures	-	220	21	-	9,410	-	426	167	113	-	4,378	-	14,735
Total for Off-Balance Sheet Exposures	48,997	48,059	478,281	153,620	472,418	269,078	355,816	294,851	6,378,310	87,872	1,684,679	-	10,271,981
Total for On and Off-Balance Sheet Exposures	1,063,378	611,256	3,485,514	1,408,240	2,798,165	4,030,635	4,778,191	3,531,528	26,004,682	1,991,249	22,731,660	4,924,886	77,359,384

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.8 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Bank's Gross Credit Exposure by Sectorial Analysis or Industry Distribution. (continued)

31.12.2024 Exposure class	The Bank											Total	
	Primary agriculture	Mining and quarrying	Manufac- turing	Electricity, gas and water supply	Construction	Real estate	Restaurants & hotels	Transport, storage and communication	Finance, insurance/ takaful and business services	Education, health and others	Household		Others
On Balance Sheet Exposures													
Corporates	1,054,879	229,504	3,087,386	769,453	1,486,272	3,752,808	3,556,767	2,524,788	1,324,878	1,309,762	377,036	503,006	19,976,539
Regulatory Retail	72,864	7,620	374,269	3,898	270,997	159,609	836,039	253,866	274,502	76,395	15,580,758	1,085	17,911,902
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	5,213,941
Sovereigns/Central Banks	-	-	-	20,184	713,929	198,254	-	593,819	9,506,388	283,327	253	102,650	11,418,804
Banks, Development Financial Institutions & MIBs	2,758	-	-	-	-	-	499	-	5,146,511	-	-	-	5,149,768
Insurance Companies, Securities Firms & Fund Managers	-	-	-	-	-	-	675	-	15,004	-	-	-	15,679
Residential Mortgages	-	-	-	-	-	-	-	-	-	-	3,358,092	-	3,358,092
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	17,426	28,381	45,807
Defaulted Exposures	1,307	1,257	28,129	5,495	57,659	249,914	75,305	81,069	8,061	28,273	206,882	-	743,351
Total for On-Balance Sheet Exposures	1,131,808	238,381	3,489,784	799,030	2,528,857	4,360,585	4,469,285	3,453,542	16,275,344	1,697,757	19,540,447	5,849,063	63,833,883
Off Balance Sheet Exposures													
Over-the-counter ("OTC") derivatives	-	-	6,670	-	296	17,929	1,942	9,104	977,394	-	-	-	1,013,335
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	58,458	10,763	411,232	8,564	352,270	180,153	309,229	248,390	4,691,197	45,784	973,567	514	7,290,121
Defaulted Exposures	-	958	52	-	9,740	5	698	559	-	-	2,887	-	14,899
Total for Off-Balance Sheet Exposures	58,458	11,721	417,954	8,564	362,306	198,087	311,869	258,053	5,668,591	45,784	976,454	514	8,318,355
Total for On and Off-Balance Sheet Exposures	1,190,266	250,102	3,907,738	807,594	2,891,163	4,558,672	4,781,154	3,711,595	21,943,935	1,743,541	20,516,901	5,849,577	72,152,238

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.8 Distribution of Credit Exposure (continued)

(iii) The following table depicts the Group's Gross Credit Exposure analysed into relevant maturity tenures by residual contractual maturity.

31.12.2025 Exposure class	The Group				
	< 1 year	> 1-5 years	> 5 years	No specific maturity	Total
<u>On Balance Sheet Exposures</u>					
Corporates	10,265,794	9,731,148	16,181,495	2,433,811	38,612,248
Regulatory Retail	651,512	5,462,903	14,942,937	928,986	21,986,338
Other Assets	–	–	–	5,782,753	5,782,753
Sovereigns/Central Banks	6,176,437	9,772,641	6,852,600	55,150	22,856,828
Banks, Development Financial Institutions & MDBs	3,150,317	2,128,552	637,014	39	5,915,922
Insurance/Takaful Companies, Securities Firms & Fund Managers	5,332	35,553	168	–	41,053
Residential Mortgages	1,844	63,109	23,329,088	113,254	23,507,295
Higher Risk Assets	14,915	23,350	–	–	38,265
Defaulted Exposures	213,426	173,384	379,875	50,092	816,777
Total for On-Balance Sheet Exposures	20,479,577	27,390,640	62,323,177	9,364,085	119,557,479
<u>Off Balance Sheet Exposures</u>					
Over-the-counter ("OTC") derivatives	591,810	563,812	41,699	–	1,197,321
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	8,772,611	969,280	109,683	2,340,441	12,192,015
Defaulted Exposures	11,097	47	100	6,809	18,053
Total for Off-Balance Sheet Exposures	9,375,518	1,533,139	151,482	2,347,250	13,407,389
Total for On and Off-Balance Sheet Exposures	29,855,095	28,923,779	62,474,659	11,711,335	132,964,868

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.8 Distribution of Credit Exposure (continued)

(iii) The following table depicts the Group's Gross Credit Exposure analysed into relevant maturity tenures by residual contractual maturity. (continued)

31.12.2024 Exposure class	The Group				Total
	< 1 year	> 1-5 years	> 5 years	No specific maturity	
<u>On Balance Sheet Exposures</u>					
Corporates	9,910,739	7,708,084	15,482,507	1,627,395	34,728,725
Regulatory Retail	649,766	5,207,577	21,630,697	870,132	28,358,172
Other Assets	–	–	–	6,795,096	6,795,096
Sovereigns/Central Banks	3,583,869	9,469,374	9,770,999	118,923	22,943,165
Banks, Development Financial Institutions & MDBs	1,602,283	2,019,053	534,304	2,841	4,158,481
Insurance/Takaful Companies, Securities Firms & Fund Managers	18,506	36,113	267	4	54,890
Residential Mortgages	1,482	57,086	13,065,628	34,092	13,158,288
Higher Risk Assets	38,319	3,537	23,718	1	65,575
Defaulted Exposures	231,848	83,393	531,542	84,466	931,249
Total for On-Balance Sheet Exposures	16,036,812	24,584,217	61,039,662	9,532,950	111,193,641
<u>Off Balance Sheet Exposures</u>					
Over-the-counter ("OTC") derivatives	594,109	522,956	72,550	–	1,189,615
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	7,221,728	1,145,012	98,907	1,303,401	9,769,048
Defaulted Exposures	2,945	9,631	134	4,753	17,463
Total for Off-Balance Sheet Exposures	7,818,782	1,677,599	171,591	1,308,154	10,976,126
Total for On and Off-Balance Sheet Exposures	23,855,594	26,261,816	61,211,253	10,841,104	122,169,767

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.8 Distribution of Credit Exposure (continued)

(iii) The following table depicts the Bank's Gross Credit Exposure analysed into relevant maturity tenures by residual contractual maturity.

31.12.2025 Exposure class	The Bank				Total
	< 1 year	> 1-5 years	> 5 years	No specific maturity	
<u>On Balance Sheet Exposures</u>					
Corporates	5,498,637	6,410,622	8,668,324	1,470,529	22,048,112
Regulatory Retail	224,053	3,152,696	5,044,112	678,364	9,099,225
Other Assets	–	–	–	4,664,187	4,664,187
Sovereigns/Central Banks	2,036,566	5,782,737	3,746,710	268	11,566,281
Banks, Development Financial Institutions & MDBs	3,687,532	1,772,271	576,221	39	6,036,063
Insurance Companies, Securities Firms & Fund Managers	5	15,363	168	–	15,536
Residential Mortgages	1,395	43,348	12,870,273	104,251	13,019,267
Higher Risk Assets	14,915	13,466	–	–	28,381
Defaulted Exposures	205,962	128,584	228,255	47,550	610,351
Total for On-Balance Sheet Exposures	11,669,065	17,319,087	31,134,063	6,965,188	67,087,403
<u>Off Balance Sheet Exposures</u>					
Over-the-counter ("OTC") derivatives	587,768	462,390	41,698	–	1,091,856
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	6,886,488	431,701	30,546	1,816,655	9,165,390
Defaulted Exposures	10,338	47	100	4,250	14,735
Total for Off-Balance Sheet Exposures	7,484,594	894,138	72,344	1,820,905	10,271,981
Total for On and Off-Balance Sheet Exposures	19,153,659	18,213,225	31,206,407	8,786,093	77,359,384

BASEL II Pillar 3 Disclosures

As at 31 December 2025

5. Credit Risk (continued)

5.8 Distribution of Credit Exposure (continued)

(iii) The following table depicts the Bank's Gross Credit Exposure analysed into relevant maturity tenures by residual contractual maturity. (continued)

31.12.2024 Exposure class	The Bank				Total
	< 1 year	> 1-5 years	> 5 years	No specific maturity	
<u>On Balance Sheet Exposures</u>					
Corporates	5,672,457	5,175,507	8,219,045	909,530	19,976,539
Regulatory Retail	222,350	3,270,112	13,763,875	655,565	17,911,902
Other Assets	–	–	–	5,213,941	5,213,941
Sovereigns/Central Banks	754,769	5,932,075	4,731,641	319	11,418,804
Banks, Development Financial Institutions & MDBs	2,719,078	1,982,021	445,828	2,841	5,149,768
Insurance Companies, Securities Firms & Fund Managers	–	15,408	267	4	15,679
Residential Mortgages	1,191	37,334	3,290,117	29,450	3,358,092
Higher Risk Assets	28,435	433	16,938	1	45,807
Defaulted Exposures	225,116	47,573	387,920	82,742	743,351
Total for On-Balance Sheet Exposures	9,623,396	16,460,463	30,855,631	6,894,393	63,833,883
<u>Off Balance Sheet Exposures</u>					
Over-the-counter ("OTC") derivatives	567,684	378,252	67,399	–	1,013,335
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	5,982,923	308,197	21,142	977,859	7,290,121
Defaulted Exposures	2,457	9,588	134	2,720	14,899
Total for Off-Balance Sheet Exposures	6,553,064	696,037	88,675	980,579	8,318,355
Total for On and Off-Balance Sheet Exposures	16,176,460	17,156,500	30,944,306	7,874,972	72,152,238

BASEL II Pillar 3 Disclosures

As at 31 December 2025

6. Securitisation

The Group and the Bank currently does not have any securitisation activities.

7. Market Risk

7.1 Market Risk Management Objectives and Policies

Market risk is defined as changes in the market value of a trading or investment position arising from movements in market factors such as interest rate, foreign exchange rates and implied volatility rates. The Group's and the Bank's exposure to market risk results largely from interest rate and foreign exchange rate risks.

Market risk may arise from proprietary trading position and investment activities (including those for liquidity requirement purposes) in the Trading and Investment Book respectively.

The Market Risk Management Framework governs the market risk activities of the Group and the Bank which are supported by a set of approved market risk management policies, guidelines and procedures.

Risk control parameters are established based on risk appetite, market liquidity and business strategies as well as macro-economic conditions. These parameters are reviewed at least annually.

Interest rate risk is quantified by analysing the mismatches in timing repricing of the rate sensitive assets and rate sensitive liabilities. Earnings-at-Risk ('EaR') or Net Interest Income simulation is conducted to assess the variation in short term earnings under various rates scenarios. The potential long-term effect of the overall exposure is tracked by assessing the impact on Economic Value of Equity ('EVE'), also known as Economic Value-at-Risk ('EVaR'). Thresholds are set for EaR and EVaR as management triggers.

7.2 Application of Standardised Approach for Market Risk Capital Charge Computation

The Group and the Bank adopt the Standardised Approach for the purpose of calculating the capital requirement for market risk.

Refer Appendix I.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

7. Market Risk (continued)

7.3 Market Risk Measurement, Control and Monitoring

Market risk arising from the Trading Book is primarily controlled through the imposition of Stop-loss and Value-at-Risk ('VaR') risk control parameters.

Periodic stress tests are conducted to quantify market risk arising from probability of abnormal market movements.

Value-at-Risk ('VaR')

VaR estimates the potential loss of a Trading portfolio from adverse market price movements which may occur over a specified holding period of the Trading portfolio.

It measures the risk of losses arising from potential adverse movements in interest/profit rates, implied volatility rates and foreign exchange rates that could affect values of financial instruments.

Back testing of the VaR results is conducted to validate and reassess the accuracy of the risk measurement systems.

Other risk measures include the following:

- i. Mark-to-market valuation tracks the current market value of the outstanding financial instruments.
- ii. Stress tests are conducted to attempt to quantify market risk arising from abnormal market movements. Stress tests measure the changes in values primarily arising from extreme movements in interest/profit rates and foreign exchange rates based on Macro Economic Variables ('MEV') provided by in-house research team.
- iii. Sensitivities are measures that quantify the change in value of a portfolio of financial instruments resulting from a unit change in the relevant market risk factors. Sensitivities are used as measures of vulnerability to market risk factor movements and are also used to facilitate the implementation of risk controls and hedging strategies.

7.4 Foreign Exchange Risk

The Group and the Bank are exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The risk of fluctuations in foreign currency exchange rates is managed via setting of thresholds on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

8. Liquidity Risk

8.1 Liquidity Risk Management Objectives and Policies

Liquidity risk is the risk of inability of a bank to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses. Liquidity risk includes the inability to manage sudden decreases or changes in funding sources. Liquidity risk also arises from the failure to recognise changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

The Liquidity Risk Management Framework governs the liquidity risk management activities of the Group and the Bank. The objective of liquidity risk management is to ensure that there are sufficient funds to meet contractual and regulatory obligations without incurring unacceptable losses as well as to undertake new transactions. The Group's and the Bank's liquidity management process involves establishing liquidity risk management policies and prudential thresholds, liquidity risk threshold monitoring, stress testing and establishing contingency funding plans. These building blocks of liquidity risk management are subject to regular reviews to ensure relevance in the context of prevailing market conditions and regulatory landscape.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

8. Liquidity Risk (continued)

8.2 Liquidity Risk Measurement, Control and Monitoring

The Group's and the Bank's short-term liquidity risk management is premised on BNM's Liquidity Coverage Ratio ('LCR') standards. The LCR is a quantitative requirement which seeks to ensure that the Group and the Bank holds sufficient High-Quality Liquid Assets ('HQLA') to withstand a significant liquidity stress scenario over a 30-day horizon.

Long-term liquidity risk profile is assessed via the Net Stable Funding Ratio ('NSFR') which promotes resilience over a longer time horizon for the Group and the Bank to fund its activities with more stable sources of funding on an ongoing basis.

The Group and the Bank also employ a set of liquidity risk indicators as an early alert of any structural change for liquidity risk management. The liquidity risk indicators include internal and external qualitative as well as quantitative indicators.

Liquidity stress tests are conducted periodically and on ad-hoc basis to gauge the Group's and the Bank's resilience in the event of a liquidity disruption.

The Contingency Funding Plan provides a systematic approach in handling liquidity disruption. The document encompasses strategies, decision-making authorities, and courses of action to be taken in the event of liquidity crisis and emergencies, enabling the Group and the Bank to respond to an unexpected liquidity disruption in an effective and efficient manner.

GBRMC endorses all policies and changes relating to liquidity risk management prior to the Board's approval. The strategic management of liquidity has been delegated to the GALCO. GBRMC is informed regularly on the liquidity position of the Group and the Bank.

9. Operational Risk

9.1 Operational Risk Management Objectives and Policies

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. The definition includes legal risk and Shariah Non-Compliance risk but excludes strategic, business, and reputational risks.

The management of operational risk is governed by the Group Operational Risk Management Policy, with ancillary aspects of reputational and outsourcing risks under the purview of the Reputational Risk Policy and the Outsourcing Policy, respectively. Any material changes to the policies require endorsement from the Group Board Risk Management Committee ('GBRMC') before seeking approval from the Board.

9.2 Application of Basic Indicator Approach for Operational Risk

The Group and the Bank adopt the Standardised Approach for the purpose of calculating the capital requirement for operational risk. The capital requirement is calculated by taking 15% of the average annual gross income over the previous three years.

Refer Appendix I.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

9. Operational Risk (continued)

9.3 Operational Risk Measurement, Control and Monitoring

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems, or from external events. The definition includes legal risk, but excludes strategic, business, and reputational risks.

The management of operational risk is governed by the Group Operational Risk Management ('GORM') Policy, with ancillary aspects of reputational and outsourcing risks under the purview of the Reputational Risk Policy and the Outsourcing Policy, respectively. Any material changes to the policies require endorsement from the Group Board Risk Management Committee ('GBRMC') before seeking approval from the Board. The Group Management Committee – Governance, Risk and Compliance ('GMC-GRC') which is responsible for reviewing and monitoring operational risk and supporting the GBRMC, provides a forum to discuss and manage all aspects of operational risk, amongst other risk types.

The Bank employs the Three Lines of Defence model to clearly delineate key roles and responsibilities in managing operational risk. Group Operational Risk Management, a function within Group Risk Management, operates independently as the 2nd Line of Defence. In the 1st Line of Defence, Business Risk and Compliance Managers are designated as champions for their respective divisions.

They act as liaisons with the 2nd Line of Defence to oversee and report their respective operational risk via the following tools:

- Risk Control Self-Assessment,
- Operational Risk Event Reporting,
- Control Self Testing,
- Key Risk Indicator,
- Operational Risk Scenario Analysis,
- Outsourcing Assessment; and
- Process Risk Control Assessment

10. Technology Risk

10.1 Technology Risk Objectives and Policies

Technology risk refers to any risks emanating from technology failures and cyber threats that may disrupt the Group's and the Bank's business such as failures of information technology ('IT') systems, applications, platforms or infrastructures including threats or vulnerabilities exposed from external network or Internet, which could result in financial loss, financial services disruption or the operations of the Group and the Bank. Failures or errors in any of the elements above could also lead to adverse reputational impact to the Group and the Bank.

The Technology Risk Management function within Group Risk Management ('GRM') oversees the identification, assessment, and mitigation of technology-related risks across the Group and the Bank. This function is guided by the Technology Risk Management Framework ('TRMF'), the Cyber Resilience Framework ('CRF'), and the Technology Risk Management Policy ('TRMP'), which collectively establish governance and standards for managing technology risk throughout the Group and the Bank.

The Group Board IT and Transformation Committee ('GBITC') represents the Board committee serves as a forum for discussing and provide input on all aspects of technology and supports the GBRMC in reviewing and monitoring technology risks. GBRMC provides overall governance and oversight of technology risk across the Group and the Bank.

GBITC oversees and endorses major IT initiatives, IT/ cybersecurity policies, technology architecture decisions, IT expenditure, priorities, and performance. It also reviews the TRMF, CRF, TRMP, risk appetite, and KRIs before submission to GBRMC, for its recommendation to the Board for approval.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

10. Technology Risk (continued)

10.2 Technology Risk Measurement, Control and Monitoring

The Group and the Bank uses risk identification and assessment to determine the extent of the potential threat and the risk associated with an IT system throughout its System Development Life Cycle ('SDLC') and on-going cyber hygiene monitoring. The output of this process helps to identify appropriate controls for reducing or eliminating risk during the risk mitigation process.

Technology risk controls encompass the use of technical and non-technical methods. Technical controls are safeguards that are incorporated into computer hardware, software, and networks to prevent, detect, and respond to cyber threats. (i.e. access control mechanisms, identification and authentication mechanisms, encryption methods, intrusion detection and prevention tools).

Non-technical controls provide governance and operational guidance that includes security policies, operational procedures, personnel training, and physical and environmental security measures.

Technology Risk Management reports are produced periodically for the respective stakeholders and committees.

11. Shariah Non-Compliance Risk

11.1 Shariah Non-Compliance Risk Objectives and Policies

Shariah Non-Compliance ('SNC') Risk refers to the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which the Group and the Bank may suffer arising from the failure to comply with the rulings of the Shariah Advisory Council of Bank Negara Malaysia ('SAC BNM'), standards on Shariah matters issued by BNM pursuant to Section 29(1) of the Islamic Financial Services Act, or decisions or advice of the Affin Islamic Bank's Shariah Committee.

BNM's policy document on Shariah governance together with the Group and the Bank's internal Shariah Governance Policy and Shariah Risk Management Policy are the main references for the Shariah risk management process within the Group and the Bank.

AFFIN ISLAMIC's Shariah Committee is established to provide objective and sound advice to the management to ensure that the aims and operations, business, affairs and activities are in compliance with Shariah.

Shariah Risk Management is part of an integrated risk management that systematically identify, assess, measure, monitor and report SNC risks in the operations, business, affairs and activities of the Group and the Bank.

11.2 Shariah Non-Compliance Risk Measurement, Control and Monitoring

SNC risk is proactively managed via the following risk tools:

- i. SNC Loss Event Reporting ('LER');
- ii. Shariah Risk and Control Self-Assessment ('RCSA');
- iii. Shariah Key Risk Indicator ('KRI'); and
- iv. Shariah Key Control Self-Assessment ('KCSA').

11.3 Shariah Non-Compliance Income During The Year

	The Group	
	2025 RM'000	2024 RM'000
Shariah Non-Compliance Income	1	6

BASEL II Pillar 3 Disclosures

As at 31 December 2025

12. Investment Account

12.1 AFFIN Term Investment Account - i ('AFFIN TIA-i')

AFFIN TIA-i is a Shariah-compliant investment product under the Shariah concept of Mudarabah under the category of Mudarabah Mutlaqah (Unrestricted Mudarabah) that offers customers the opportunity to invest their funds for a fixed term, earning potential returns based on the performance of the underlying assets. AFFIN TIA-i is structured in accordance with Islamic principles, ensuring that all investments are free from elements of riba (interest), gharar (uncertainty), and maysir (gambling).

Investment funds under AFFIN TIA-i are invested into a pool of Shariah compliant personal and corporate financing (Corporate and Enterprise Banking) portfolios of the Bank with the objective to provide stable returns through low to moderate risk investment. AFFIN TIA-i strategically allocates its funds into a range of investment assets that are not only competitively priced but also exhibit high asset quality. This approach ensures that the investment account benefits from both cost-effective opportunities and robust, reliable asset performance. By carefully selecting and managing these assets, AFFIN TIA-i aims to optimize returns while maintaining a balanced risk profile, ultimately providing investors with a stable and potentially rewarding investment experience.

Parties involved in this investment are the Customer as the Investor (Rabbul Mal) and the Bank as the entrepreneur (Mudarib), where:

- The Customer will invest their money in AFFIN TIA-i ("Investment Fund").
- The Investment Fund is then invested by the Bank into the pool of Shariah compliant personal and corporate financing (Corporate and Enterprise Banking) portfolios of the Bank (Investment Asset).
- The profit generated from the investment is to be distributed to the Customer and the Bank based on an agreed Profit-Sharing Ratio ('PSR').
- The financial losses associated with the investment (if any) are to be borne by the Customer, as long as such losses are not due to the Bank's misconduct, negligence or breach of specified terms. The Bank may suffer losses in term of costs and time.

Customers are informed on the risks associated with AFFIN TIA-i with mitigation adopted by the Bank which include (but not limited to):

- Risk of capital loss and credit risk – Underlying asset under AFFIN TIA-i is set with criteria that meet low to medium risks such as limiting the involvement of active assets only into the investment arrangement.
- Market risk – Invested assets are subjected to fluctuations in market rates, which have potential impact of price movement (profit rate, exchange rate – if any) and overall income performance of the Investment Asset. The risk is managed by applying diversification of assets and continuous monitoring the performance of the investment portfolio.
- Liquidity risk – Risk occurs when withdrawal/redemptions exceed total investments. This risk is mitigated by liquidity management techniques appropriate to the investment arrangement, covering both shortfalls and surpluses.

12.2 AFFIN TIA-i Performance

AFFIN TIA-i was launched on 2 November 2024. As at 31 December 2025, balance of AFFIN TIA-i stood at RM1,164 million. The performance of AFFIN TIA-i is as described in the table below:

Return on Assets ('RoA')	5.63% p.a.
Average Net Distributable Income Attributable to the Investment Account Holder ('IAH')	RM2.52 million
Average Profit-Sharing Ratio to the IAH	57%
Rate of Return to the IAH	2.87%

BASEL II Pillar 3 Disclosures

As at 31 December 2025

13. Business Continuity Risk

13.1 Business Continuity Risk Objectives and Policies

Business continuity risk encompasses the potential loss of assets, revenue, reputation, and stakeholder confidence resulting from disruptions in business or technology operations. Mitigating this risk is essential to ensuring seamless service continuity, protecting the Bank's financial stability, and maintaining the trust and confidence of AFFIN's stakeholders and customers.

The Group Business Continuity Management Policy is strategically designed to govern the management of business continuity across the Bank, ensuring strict adherence to the standards set by Bank Negara Malaysia ('BNM'), PayNet, Bursa Malaysia, and the Securities Commission Malaysia. This policy underscores the Bank's commitment to resilience, regulatory compliance, and the seamless continuity of AFFIN's banking operations.

The Group Board Risk Management Committee ('GBRMC') represent the Board committee in reviewing, monitoring, and evaluating business continuity management reports, providing vital insights. To support the GBRMC, the Group Management Committee - Business Continuity Management ('GMC-BCM') offers an essential forum for in-depth review and proactive management of business continuity risks and operational risk controls, fostering a culture of resilience and accountability across AFFIN Group.

The BCM function plays a vital role in safeguarding the Group and the Bank by overseeing the management of business continuity risks and ensuring effective crisis management. Its strategic oversight is essential in minimising disruptions, protecting critical operations, and maintaining organisational resilience, making it a cornerstone of the Bank's commitment to operational stability and long-term success.

13.2 Business Continuity Risk Measurement, Control and Monitoring

Annual Risk Assessment ('RA') and Business Impact Analysis ('BIA') are mandatory for all business and support units within the Group and the Bank, reflecting our unwavering commitment to proactive risk management. The outcomes of these assessments will provide a detailed risk register, compelling each unit to implement focused action plans to mitigate identified risks.

Robust policies, plan and processes are in place to support the monitoring and reporting of business continuity risks, ensuring proactive identification, assessment, and management of potential disruptions. These measures enable timely and accurate reporting, facilitating informed decision-making and continuous improvement in managing the business continuity risk.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

14. Equities in The Banking Book

The Group's and the Bank's banking book equity investment consists of:

- Investments held for yield and/or long-term capital gains; and
- Strategic stakes in entities held as part of growth initiatives and/or held for socio-economic reasons.

Accounting for Equity Holdings in the Banking Book

All equities are held at fair value. For quoted equities, fair value is estimated based on quoted or observable market price at the end of the reporting period. For unquoted equities, the fair value is estimated using approved valuation techniques.

Any gains and losses arising from the returns and changes in fair value of these equities' holdings are reflected in the revaluation reserve and statement of income accordingly.

The details of fair value of financial instruments are disclosed in Note 51 of the Group's and the Bank's 2025 Annual Report.

	2025		2024	
	Fair Value RM'000	Risk Weighted Assets RM'000	Fair Value RM'000	Risk Weighted Assets RM'000
The Group				
Type of Equity Investments				
Privately held	299,314	299,351	267,251	268,581
Publicly traded	–	–	–	–
Total	299,314	299,351	267,251	268,581

	2025	2024
	RM'000	RM'000
Cumulative realised gains/(losses) from sales and liquidations of equity investments	–	–
Total unrealised gains/(losses) in other comprehensive income	30,721	21,611

	2025		2024	
	Fair Value RM'000	Risk Weighted Assets RM'000	Fair Value RM'000	Risk Weighted Assets RM'000
The Bank				
Type of Equity Investments				
Privately held	270,512	270,550	241,057	241,094
Publicly traded	–	–	–	–
Total	270,512	270,550	241,057	241,094

	2025	2024
	RM'000	RM'000
Cumulative realised gains/(losses) from sales and liquidations of equity investments	–	–
Total unrealised gains/(losses) in other comprehensive income	29,455	20,182

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Appendix I

The Group and the Bank have adopted Basel II - Risk Weighted Assets computation under the BNM's Risk-Weighted Capital Adequacy Framework with effect from 1 January 2008. The Group and the Bank have adopted the Standardised Approach for credit risk and market risk, and Basic Indicator Approach for operation risk computation.

The following information concerning the Group and the Bank's risk exposures are disclosed as accompanying information to the Integrated Report and does not form part of the audited accounts.

Disclosure on Capital Adequacy (RM'000)

The Group

31.12.2025

Exposure Class	Gross Exposures/ EAD before CRM	Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
1 CREDIT RISK				
<u>On Balance Sheet Exposures</u>				
Corporates	38,612,248	36,437,234	31,281,567	2,502,526
Regulatory Retail	21,986,338	18,975,888	14,103,551	1,128,284
Other Assets	5,782,753	5,782,753	3,762,548	301,004
Sovereigns/Central Banks	22,856,828	22,856,828	484,728	38,778
Banks, Development Financial Institutions & MDBs	5,915,922	5,915,423	1,448,439	115,875
Insurance/Takaful Companies, Securities Firms & Fund Managers	41,053	41,053	12,902	1,032
Residential Mortgages	23,507,295	23,484,498	10,166,011	813,282
Higher Risk Assets	38,265	38,265	57,398	4,592
Defaulted Exposures	816,777	816,722	849,328	67,946
Total for On-Balance Sheet Exposures	119,557,479	114,348,664	62,166,472	4,973,319
<u>Off Balance Sheet Exposures</u>				
Over-the-counter ("OTC") derivatives	1,197,321	1,197,321	478,051	38,244
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	12,192,015	8,678,103	4,695,240	375,619
Defaulted Exposures	18,053	18,053	23,836	1,907
Total for Off-Balance Sheet Exposures	13,407,389	9,893,477	5,197,127	415,770
Total for On and Off-Balance Sheet Exposures	132,964,868	124,242,141	67,363,599	5,389,089
Exposures to Central Counterparties RWA	-	-	35,171	2,814
Total Credit Risk Exposures	132,964,868	124,242,141	67,398,770	5,391,903

Appendix I

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Disclosure on Capital Adequacy (RM'000) (continued)

The Group
31.12.2025

Exposure Class	Gross Exposures/ EAD before CRM		Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
	Long Position	Short Position			
2 MARKET RISK					
Interest Rate/Rate of Return Risk	64,896,190	61,569,463	3,326,727	1,987,677	159,014
Equity Position Risk	80,118	33,068	47,050	138,884	11,111
Foreign Currency Risk	176,771	122,688	54,083	208,269	16,662
Option Risk	21,292	44,332	(23,040)	790	63
TOTAL MARKET RISK	65,174,371	61,769,550	3,404,821	2,335,619	186,850
3 OPERATIONAL RISK					
Operational Risk				3,561,845	284,948
Total RWA and Capital Requirements				73,296,234	5,863,701

The Group
31.12.2024

Exposure Class	Gross Exposures/ EAD before CRM	Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
1 CREDIT RISK				
<u>On Balance Sheet Exposures</u>				
Corporates	34,728,725	32,919,523	27,324,064	2,185,925
Regulatory Retail	28,358,172	26,223,564	19,605,568	1,568,445
Other Assets	6,795,096	6,795,096	3,441,069	275,286
Sovereigns/Central Banks	22,943,165	22,943,165	460,607	36,849
Banks, Development Financial Institutions & MDBs	4,158,481	4,155,399	1,098,061	87,845
Insurance/Takaful Companies, Securities Firms & Fund Managers	54,890	54,890	26,742	2,139
Residential Mortgages	13,158,288	13,143,305	6,146,507	491,721
Higher Risk Assets	65,575	65,575	98,362	7,869
Defaulted Exposures	931,249	928,957	1,210,717	96,857
Total for On-Balance Sheet Exposures	111,193,641	107,229,474	59,411,697	4,752,936
<u>Off Balance Sheet Exposures</u>				
Over-the-counter ("OTC") derivatives	1,189,615	1,189,616	522,794	41,824
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	9,769,048	5,771,586	3,883,852	310,708
Defaulted Exposures	17,463	17,463	25,218	2,017
Total for Off-Balance Sheet Exposures	10,976,126	6,978,665	4,431,864	354,549
Total for On and Off-Balance Sheet Exposures	122,169,767	114,208,139	63,843,561	5,107,485
Exposures to Central Counterparties RWA	-	-	-	-
Total Credit Risk Exposures	122,169,767	114,208,139	63,843,561	5,107,485

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Appendix I

Disclosure on Capital Adequacy (RM'000) (continued)

The Group
31.12.2024

Exposure Class	Gross Exposures/ EAD before CRM		Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
	Long Position	Short Position			
2 MARKET RISK					
Interest Rate/Rate of Return Risk	54,275,647	52,272,573	2,003,074	2,500,511	200,041
Equity Position Risk	142,600	73,624	68,976	199,420	15,954
Foreign Currency Risk	263,563	155,329	108,234	138,373	11,070
Option Risk	18,373	84,135	(65,762)	1,461	117
TOTAL MARKET RISK	54,700,183	52,585,661		2,839,765	227,182
3 OPERATIONAL RISK					
Operational Risk				3,877,820	310,226
Total RWA and Capital Requirements				70,561,146	5,644,893

The Bank
31.12.2025

Exposure Class	Gross Exposures/ EAD before CRM	Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
1 CREDIT RISK				
<u>On Balance Sheet Exposures</u>				
Corporates	22,048,112	21,577,927	18,721,898	1,497,752
Regulatory Retail	9,099,225	9,003,007	6,683,431	534,674
Other Assets	4,664,187	4,664,187	3,183,439	254,675
Sovereigns/Central Banks	11,566,281	11,566,282	245,950	19,676
Banks, Development Financial Institutions & MDBs	6,036,063	6,035,563	1,599,149	127,932
Insurance Companies, Securities Firms & Fund Managers	15,536	15,536	3,536	283
Residential Mortgages	13,019,267	13,003,764	5,683,071	454,646
Higher Risk Assets	28,381	28,381	42,572	3,406
Defaulted Exposures	610,351	610,296	660,455	52,836
Total for On-Balance Sheet Exposures	67,087,403	66,504,943	36,823,501	2,945,880
<u>Off Balance Sheet Exposures</u>				
Over-the-counter ("OTC") derivatives	1,091,856	1,091,856	428,579	34,286
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	9,165,390	5,707,646	3,101,378	248,110
Defaulted Exposures	14,735	14,734	20,398	1,632
Total for Off-Balance Sheet Exposures	10,271,981	6,814,236	3,550,355	284,028
Total for On and Off-Balance Sheet Exposures	77,359,384	73,319,179	40,373,856	3,229,908
Exposures to Central Counterparties RWA	–	–	–	–
Total Credit Risk Exposures	77,359,384	73,319,179	40,373,856	3,229,908

Appendix I

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Disclosure on Capital Adequacy (RM'000) (continued)

The Bank
31.12.2025

Exposure Class	Gross Exposures/ EAD before CRM		Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
	Long Position	Short Position			
2 MARKET RISK					
Interest Rate Risk	54,762,122	52,401,927	2,360,195	1,560,735	124,859
Foreign Currency Risk	54,958	51,412	3,546	54,958	4,397
Option Risk	21,292	14,288	7,004	66	5
TOTAL MARKET RISK	54,838,372	52,467,627	2,370,745	1,615,759	129,261
3 OPERATIONAL RISK					
Operational Risk				1,957,359	156,589
Total RWA and Capital Requirements				43,946,974	3,515,758

The Bank
31.12.2024

Exposure Class	Gross Exposures/ EAD before CRM	Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
1 CREDIT RISK				
<u>On Balance Sheet Exposures</u>				
Corporates	19,976,539	19,574,463	16,572,996	1,325,840
Regulatory Retail	17,911,902	17,808,359	13,293,932	1,063,515
Other Assets	5,213,941	5,213,941	3,012,196	240,976
Sovereigns/Central Banks	11,418,804	11,418,804	262,961	21,037
Banks, Development Financial Institutions & MDBs	5,149,768	5,149,419	1,442,815	115,425
Insurance Companies, Securities Firms & Fund Managers	15,679	15,679	3,679	294
Residential Mortgages	3,358,092	3,351,220	1,492,994	119,440
Higher Risk Assets	45,807	45,807	68,710	5,497
Defaulted Exposures	743,351	743,303	1,014,002	81,120
Total for On-Balance Sheet Exposures	63,833,883	63,320,995	37,164,285	2,973,144
<u>Off Balance Sheet Exposures</u>				
Over-the-counter ("OTC") derivatives	1,013,335	1,013,336	429,840	34,387
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	7,290,121	3,345,111	2,544,866	203,589
Defaulted Exposures	14,899	14,899	22,199	1,776
Total for Off-Balance Sheet Exposures	8,318,355	4,373,346	2,996,905	239,752
Total for On and Off-Balance Sheet Exposures	72,152,238	67,694,341	40,161,190	3,212,896

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Appendix I

Disclosure on Capital Adequacy (RM'000) (continued)

The Bank
31.12.2024

Exposure Class	Gross Exposures/ EAD before CRM		Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
	Long Position	Short Position			
2 MARKET RISK					
Interest Rate Risk	46,434,773	44,900,049	1,534,725	1,872,737	149,819
Foreign Currency Risk	61,858	132,749	(70,892)	132,749	10,620
Option Risk	9,401	4,896	4,505	108	9
TOTAL MARKET RISK	46,506,032	45,037,694		2,005,594	160,448
3 OPERATIONAL RISK					
Operational Risk				2,175,932	174,075
Total RWA and Capital Requirements				44,342,716	3,547,419

Market risk is defined as changes in the market value of a trading position arising from movements in market factors such as interest/profit rate, foreign exchange rates and implied volatility rates. The Group's and the Bank's Value-at-Risk ('VaR') is defined as the amount of the Group's and the Bank's capital that is exposed to the risk of unexpected losses arising particularly from movements in interest/profit and foreign exchange rates. Management Action Trigger ('MAT') and Limit are established for VaR in Risk Appetite Statement ('RAS') to ensure that the Group's and the Bank's capital adequacy are not impinged upon in the event of adverse market movements. The Group and the Bank currently adopt BNM's Standardised Approach for the computation of market risk capital charges. The market risk capital charge addresses among others, capital requirement for market risk which includes the interest/profit rate risk in the Group's and the Bank's Trading Book as well as foreign exchange risk in the Trading and Banking Books.

The computation of market risk capital charge covers the following financial instruments.

- Foreign Exchange ('FX')
- Interest/Profit Rate Swap ('IRS/IPRS')
- Cross Currency Swap ('CCS')
- Fixed Income Instruments (i.e. Corporate Bonds/Sukuk and Government Securities)
- FX Options
- Reverse Repo
- Interest Rate Options

Appendix II

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Disclosure on Credit Risk: Disclosures on Risk Weights under the Standardised Approach (RM'000)

The Group
31.12.2025

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets	
	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance/ Takaful Companies, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing/ Investment	Securitisation			Equity
0%	23,518,657	-	-	-	538,858	160,654	110,042	-	1,446,836	-	-	-	25,775,047	-
20%	736,204	-	6,100,260	35,188	5,483,307	68,985	-	-	716,713	-	-	-	13,140,657	2,628,132
35%	-	-	-	-	-	-	18,310,561	-	-	-	-	-	18,310,561	6,408,696
50%	810,186	-	1,626,136	-	924,819	13,485	4,623,125	-	-	-	-	-	7,997,751	3,998,875
75%	-	-	-	-	-	19,478,866	15,654	-	-	-	-	-	19,494,520	14,620,891
100%	-	-	35,797	65,124	33,163,029	71,412	2,202,032	203	3,619,204	-	-	-	39,156,801	39,156,800
150%	-	-	-	-	171,555	156,570	-	38,679	-	-	-	-	366,804	550,205
Average Risk Weight														54%
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	25,065,047	-	7,762,193	100,312	40,281,568	19,949,972	25,261,414	38,882	5,782,753	-	-	-	124,242,141	67,363,599

PSE "Public Sector Entities"
 MDB "Multilateral Development Bank"
 DFI "Development Financial Institution"

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Disclosure on Credit Risk: Disclosures on Risk Weights under the Standardised Approach (RM'000) (continued)

 The Group
31.12.2024

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets	
	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance/Takaful Companies, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing/Investment	Securitisation			Equity
0%	22,244,538	-	-	-	-	-	-	-	2,163,178	-	-	-	24,407,716	-
20%	1,048,644	-	4,318,824	35,184	6,647,905	219,915	-	-	1,418,350	-	-	-	13,688,822	2,737,765
35%	-	-	-	-	-	-	8,457,983	-	-	-	-	-	8,457,983	2,960,294
50%	610,535	-	1,611,037	-	721,728	14,544	3,196,675	-	-	-	-	-	6,154,519	3,077,260
75%	-	-	-	-	-	27,098,082	26,299	-	-	-	-	-	27,124,381	20,343,285
100%	192,251	-	23,840	99,185	28,291,267	109,447	1,744,683	-	3,213,569	-	-	-	33,674,242	33,674,241
150%	-	-	-	-	354,561	269,367	-	76,549	-	-	-	-	700,477	1,050,716
Average Risk Weight														56%
Deduction from Capital Base														
Total	24,095,968	-	5,953,701	134,370	36,015,461	27,711,355	13,425,640	76,549	6,795,097	-	-	-	114,208,140	63,843,561

PSE "Public Sector Entities"

MDB "Multilateral Development Bank"

DFI "Development Financial Institution"

Appendix II

BASEL II Pillar 3 Disclosures
As at 31 December 2025

Disclosure on Credit Risk: Disclosures on Risk Weights under the Standardised Approach (RM'000) (continued)

The Bank
31.12.2025

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets	
	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance/ Takaful Companies, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing/ Investment	Securitisation			Equity
0%	12,164,058	-	-	-	350,689	100,460	57,187	-	988,861	-	-	-	13,661,255	-
20%	190,914	-	5,734,721	15,000	2,876,572	18,425	-	-	614,859	-	-	-	9,450,491	1,890,098
35%	-	-	-	-	-	-	10,226,106	-	-	-	-	-	10,226,106	3,579,137
50%	415,535	-	2,034,272	-	516,261	10,850	2,767,954	-	-	-	-	-	5,744,872	2,872,436
75%	-	-	-	-	-	9,421,220	13,411	-	-	-	-	-	9,434,631	7,075,974
100%	-	-	35,798	50,653	20,021,762	53,874	1,270,294	203	3,060,467	-	-	-	24,493,051	24,493,050
115%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	142,648	137,383	-	28,742	-	-	-	-	308,773	463,161
Average Risk Weight														55%
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	12,770,507	-	7,804,791	65,653	23,907,932	9,742,212	14,334,952	28,945	4,664,187	-	-	-	73,319,179	40,373,856

PSE "Public Sector Entities"
MDB "Multilateral Development Bank"
DFI "Development Financial Institution"

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Disclosure on Credit Risk: Disclosures on Risk Weights under the Standardised Approach (RM'000) (continued)

 The Bank
31.12.2024

Risk Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets		
	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance/Takaful Companies, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing/Investment	Securitisation			Equity	
0%	10,880,843	-	-	-	-	-	-	-	1,277,015	-	-	-	-	12,157,858	-
20%	169,925	-	4,747,972	15,000	3,508,115	117,785	-	-	1,155,913	-	-	-	-	9,714,710	1,942,943
35%	-	-	-	-	-	-	2,425,246	-	-	-	-	-	-	2,425,246	848,836
50%	280,776	-	2,029,082	-	441,505	11,874	593,927	-	-	-	-	-	-	3,357,164	1,678,582
75%	-	-	-	-	-	18,655,867	23,373	-	-	-	-	-	-	18,679,240	14,009,430
100%	192,251	-	23,840	49,941	17,219,006	72,702	378,817	-	2,781,013	-	-	-	-	20,717,570	20,717,570
150%	-	-	-	-	325,932	264,012	-	52,609	-	-	-	-	-	642,553	963,829
Average Risk Weight															59%
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	11,523,795	-	6,800,894	64,941	21,494,558	19,122,239	3,421,363	52,609	5,213,941	-	-	-	-	67,694,341	40,161,190

PSE "Public Sector Entities"
MDB "Multilateral Development Bank"
DFI "Development Financial Institution"

Appendix III

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000)

		Ratings of Corporate by Approved ECAIs					
		Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
The Group							
31.12.2025							
Exposure Class		S&P	A+ to A-	B+ to D	B+ to D	B+ to D	Unrated
		Fitch	AAA to AA-	BBB+ to BB-	BBB+ to BB-	BBB+ to BB-	Unrated
		RAM	AAA to AA3	BBB1 to BB3	BBB1 to BB3	BBB1 to BB3	Unrated
		MARC	AAA to AA-	BBB+ to BB-	BBB+ to BB-	BBB+ to BB-	Unrated
On and Off-Balance-Sheet Exposures							
Credit Exposures (using Corporate Risk Weights)							
Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)							
Insurance/Takaful Companies, Securities Firms & Fund Managers Corporates							
			20,188	–	–	–	80,124
			1,586,061	242,649	98,384	–	40,711,948
Total			1,606,249	242,649	98,384	–	40,792,072
The Group							
31.12.2024							
Exposure Class							
		Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
		S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
		Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
		RAM	AAA to AA3	A to A3	BBB1 to BB3	B to D	Unrated
		MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
On and Off-Balance-Sheet Exposures							
Credit Exposures (using Corporate Risk Weights)							
Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)							
Insurance/Takaful Companies, Securities Firms & Fund Managers Corporates							
			–	–	–	–	–
			20,186	–	–	–	114,184
			1,322,896	271,371	8,002	–	36,387,159
Total			1,343,082	271,371	8,002	–	36,501,343

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000) (continued)

		Ratings of Corporate by Approved ECAIs					
		Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
The Bank							
31.12.2025							
Exposure Class		S&P	A+ to A-	B+ to D	B+ to D	B+ to D	Unrated
		Fitch	A+ to A-	B+ to D	B+ to D	B+ to D	Unrated
		RAM	A to A3	B to D	B to D	B to D	Unrated
		MARC	A+ to A-	B+ to D	B+ to D	B+ to D	Unrated
On and Off-Balance-Sheet Exposures							
Credit Exposures (using Corporate Risk Weights)							
	Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)	-	-	-	-	-	-
	Takaful/Insurance Companies, Securities Firms & Fund Managers Corporates	185,063	40,800	8,001			65,653
Total		185,063	40,800	8,001			24,276,539

		Ratings of Corporate by Approved ECAIs					
		Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
The Bank							
31.12.2024							
Exposure Class		S&P	A+ to A-	B+ to D	B+ to D	B+ to D	Unrated
		Fitch	A+ to A-	B+ to D	B+ to D	B+ to D	Unrated
		RAM	A to A3	B to D	B to D	B to D	Unrated
		MARC	A+ to A-	B+ to D	B+ to D	B+ to D	Unrated
On and Off-Balance-Sheet Exposures							
Credit Exposures (using Corporate Risk Weights)							
	Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)	-	-	-	-	-	-
	Takaful/Insurance Companies, Securities Firms & Fund Managers Corporates	58,760	31,793	8,002			64,941
Total		58,760	31,793	8,002			21,915,688

Appendix III

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000) (continued)

The Group
31.12.2025

Ratings of Sovereigns and Central Banks by Approved ECAIs													
Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
RAM	AAA to AA3	A to A3	BBB1+ to BBB3	BB1 to B3	C1+ to D	Unrated	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
On and Off-Balance-Sheet Exposures													
Sovereigns and Central Banks	16,847,701	1,931,175	55,975	754,210	-	5,475,986							
Total	16,847,701	1,931,175	55,975	754,210	-	5,475,986							
Ratings of Banking Institutions by Approved ECAIs													
Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
RAM	AAA to AA3	A to A3	BBB1+ to BBB3	BB1 to B3	C1+ to D	Unrated	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
On and Off-Balance-Sheet Exposures													
Banks, MDBs and DFIs	2,384,751	527,751	76,070	12,100	-	8,045,823							
Total	2,384,751	527,751	76,070	12,100	-	8,045,823							

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000) (continued)

 The Group
31.12.2024

Ratings of Sovereigns and Central Banks by Approved ECAIs												
Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated	Fitch	AAA to AA-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
RAM	AAA to AA3	A to A3	BBB1+ to BBB3	BB1 to B3	C1+ to D	Unrated	MARC	AAA to AA-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
	15,040,162	1,691,298	27,790	582,745	-	6,753,973		15,040,162	1,691,298	27,790	-	6,753,973
On and Off-Balance-Sheet Exposures												
Sovereigns and Central Banks												
Total												

Ratings of Banking Institutions by Approved ECAIs												
Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated	Fitch	AAA to AA-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
RAM	AAA to AA3	A to A3	BBB1+ to BBB3	BB1 to B3	C1+ to D	Unrated	MARC	AAA to AA-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
	5,151,729	465,026	75,440	100	-	4,056,139		5,151,729	465,026	75,440	-	4,056,139
On and Off-Balance-Sheet Exposures												
Banks, MIDs and DFIs												
Total												

Appendix III

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000) (continued)

The Bank
31.12.2025

		Ratings of Sovereigns and Central Banks by Approved ECAIs						
Exposure Class	Moody's S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB1+ to BBB3 BBB+ to BBB-	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B-	Caa1 to C CCC+ to D CCC+ to D C1+ to D C+ to D	Unrated	
On and Off-Balance-Sheet Exposures Sovereigns and Central Banks		10,404,102	318,640	-	415,535	-	1,632,230	
Total		10,404,102	318,640	-	415,535	-	1,632,230	
		Ratings of Banking Institutions by Approved ECAIs						
Exposure Class	Moody's S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB1+ to BBB3 BBB+ to BBB-	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B-	Caa1 to C CCC+ to D CCC+ to D C1+ to D C+ to D	Unrated	
On and Off-Balance-Sheet Exposures Banks, MDBs and DFIs		1,350,304	326,361	65,031	12,100	-	9,335,297	
Total		1,350,304	326,361	65,031	12,100	-	9,335,297	

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Disclosures on Rated Exposures according to Ratings by ECAIs (RM'000) (continued)

 The Bank
31.12.2024

Ratings of Sovereigns and Central Banks by Approved ECAIs												
Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated	Fitch	AAA to AA-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
RAM	AAA to AA3	A to A3	BBB1+ to BBB3	BB1 to B3	C1+ to D	Unrated	MARC	AAA to AA-	BBB+ to BBB-	BB+ to B-	C1+ to D	Unrated
-	9,059,103	297,568	-	280,776	-	1,886,348						
Total	9,059,103	297,568	-	280,776	-	1,886,348						

On and Off-Balance-Sheet Exposures

Sovereigns and Central Banks

Total

Ratings of Banking Institutions by Approved ECAIs												
Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated	Fitch	AAA to AA-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
RAM	AAA to AA3	A to A3	BBB1+ to BBB3	BB1 to B3	C1+ to D	Unrated	MARC	AAA to AA-	BBB+ to BBB-	BB+ to B-	C1+ to D	Unrated
-	4,431,035	314,519	75,440	100	-	5,771,800						
Total	4,431,035	314,519	75,440	100	-	5,771,800						

On and Off-Balance-Sheet Exposures

Banks, MDBs and DFIs

Total

Appendix IV

BASEL II Pillar 3 Disclosures

As at 31 December 2025

a) Disclosures on Credit Risk Mitigation (RM'000)

The Group
31.12.2025

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	22,856,828	–	–	–
Banks, Development Financial Institutions & MDBs	5,915,922	–	499	–
Insurance/Takaful Companies, Securities Firms & Fund Managers	41,053	–	–	–
Corporates	38,612,248	681,838	2,175,014	–
Regulatory Retail	21,986,338	190,680	3,010,449	–
Residential Mortgages	23,507,295	109,922	22,797	–
Higher Risk Assets	38,265	–	–	–
Other Assets	5,782,753	–	–	–
Defaulted Exposures	816,777	69,715	55	–
Total for On-Balance Sheet Exposures	119,557,479	1,052,155	5,208,814	–
<u>Off-Balance Sheet Exposures</u>				
Over-the-counter (“OTC”) derivatives	1,197,321	–	–	–
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	12,192,015	13,724	3,513,912	–
Defaulted Exposures	18,053	–	–	–
Total for Off-Balance Sheet Exposures	13,407,389	13,724	3,513,912	–
Total On and Off-Balance Sheet Exposures	132,964,868	1,065,879	8,722,726	–

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Appendix IV
a) Disclosures on Credit Risk Mitigation (RM'000) (continued)
The Group
31.12.2024

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	22,943,165	–	–	–
Banks, Development Financial Institutions & MDBs	4,158,481	–	3,083	–
Insurance/Takaful Companies, Securities Firms & Fund Managers	54,890	–	–	–
Corporates	34,728,725	1,188,313	1,809,202	–
Regulatory Retail	28,358,172	219,841	2,134,606	–
Residential Mortgages	13,158,288	–	14,983	–
Higher Risk Assets	65,575	–	–	–
Other Assets	6,795,096	–	–	–
Defaulted Exposures	931,249	–	2,292	–
Total for On-Balance Sheet Exposures	111,193,641	1,408,154	3,964,166	–
<u>Off-Balance Sheet Exposures</u>				
Over-the-counter (“OTC”) derivatives	1,189,615	–	–	–
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	9,769,048	27,971	3,982,051	–
Defaulted Exposures	17,463	–	15,411	–
Total for Off-Balance Sheet Exposures	10,976,126	27,971	3,997,462	–
Total On and Off-Balance Sheet Exposures	122,169,767	1,436,125	7,961,628	–

Appendix IV

BASEL II Pillar 3 Disclosures

As at 31 December 2025

a) Disclosures on Credit Risk Mitigation (RM'000)

The Bank
31.12.2025

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	11,566,281	–	–	–
Banks, Development Financial Institutions & MDBs	6,036,063	–	500	–
Insurance Companies, Securities Firms & Fund Managers	15,536	–	–	–
Corporates	22,048,112	459,354	470,185	–
Regulatory Retail	9,099,225	99,100	96,218	–
Residential Mortgages	13,019,267	57,186	15,503	–
Higher Risk Assets	28,381	–	–	–
Other Assets	4,664,187	–	–	–
Defaulted Exposures	610,351	43,956	55	–
Total for On-Balance Sheet Exposures	67,087,403	659,596	582,461	–
<u>Off-Balance Sheet Exposures</u>				
Over-the-counter (“OTC”) derivatives	1,091,856	–	–	–
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	9,165,390	1,344	3,457,744	–
Defaulted Exposures	14,735	–	–	–
Total for Off-Balance Sheet Exposures	10,271,981	1,344	3,457,744	–
Total On and Off-Balance Sheet Exposures	77,359,384	660,940	4,040,205	–

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Appendix IV

a) Disclosures on Credit Risk Mitigation (RM'000) (continued)

The Bank
31.12.2024

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	11,418,804	–	–	–
Banks, Development Financial Institutions & MDBs	5,149,768	–	350	–
Insurance Companies, Securities Firms & Fund Managers	15,679	–	–	–
Corporates	19,976,539	1,004,729	402,075	–
Regulatory Retail	17,911,902	117,712	103,542	–
Residential Mortgages	3,358,092	–	6,872	–
Higher Risk Assets	45,807	–	–	–
Other Assets	5,213,941	–	–	–
Defaulted Exposures	743,351	–	48	–
Total for On-Balance Sheet Exposures	63,833,883	1,122,441	512,887	–
<u>Off-Balance Sheet Exposures</u>				
Over-the-counter ("OTC") derivatives	1,013,335	–	–	–
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	7,290,121	3,664	3,945,010	–
Defaulted Exposures	14,899	–	–	–
Total for Off-Balance Sheet Exposures	8,318,355	3,664	3,945,010	–
Total On and Off-Balance Sheet Exposures	72,152,238	1,126,105	4,457,897	–

b) Disclosure on Off-Balance Sheet and Counterparty Credit Risk (RM'000)

Counterparty Credit Risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cashflows. An economic loss could occur if the transactions with the counterparty has a positive economic value for the Group and the Bank at the time of default.

In contrast to the exposure to credit risk through a lending/financing, where the exposure to credit risk is unilateral and only the lending/financing bank faces the risk of loss, Counterparty Credit Risk creates a bilateral risk of loss where the market value for many types of transactions can be positive or negative to either counterparty.

In respect of off-balance sheet items, the credit risk inherent in each off-balance sheet instrument is translated into an on balance sheet exposure equivalent (credit equivalent) by multiplying the nominal principal amount with a credit conversion factor ('CCF') as prescribed by the Standardised Approach under the Risk Weighted Capital Adequacy Framework. The resulting amount is then weighted against the risk weight of the counterparty. In addition, counterparty risk weights for over-the-counter ('OTC') derivative transactions will be determined based on the external rating of the counterparty and will not be subject to any specific ceiling.

Appendix IV

BASEL II Pillar 3 Disclosures

As at 31 December 2025

b) Disclosure on Off-Balance Sheet and Counterparty Credit Risk (RM'000) (continued)

The Group
31.12.2025

Description	Total Principal Amount	Positive Fair Value of Derivative Contracts	Total Credit Equivalent Amount	Total Risk Weighted Amount
Direct Credit Substitutes	718,534		718,532	605,505
Transaction related contingent items	1,320,681		660,340	576,524
Short Term Self Liquidating trade related contingencies	1,858,165		371,633	100,394
Forward Asset Purchases	–		–	–
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions. (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)	4,251,818		5,003,454	103,422
Foreign exchange related contracts				
One year or less	34,529,814	224,635	574,504	218,994
Over one year to five years	275,536	7,742	34,307	22,923
Interest/Profit rate related contracts	7,371,000			
One year or less	22,266,058	7,078	16,809	7,015
Over one year to five years	575,720	64,570	530,003	222,914
Over five years	5,043,539	177	41,698	20,849
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	14,675,883		2,520,077	1,418,967
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	–		2,472,251	1,557,148
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	2,318,907		–	–
Unutilised credit card lines	95,205,655		463,781	342,471
Total	95,205,655	304,202	13,407,389	5,197,126

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Appendix IV

b) Disclosure on Off-Balance Sheet and Counterparty Credit Risk (RM'000) (continued)

The Group
31.12.2024

Description	Total Principal Amount	Positive Fair Value of Derivative Contracts	Total Credit Equivalent Amount	Total Risk Weighted Amount
Direct Credit Substitutes	547,956		547,956	504,980
Transaction related contingent items	1,166,377		583,188	522,525
Short Term Self Liquidating trade related contingencies	3,695,873		739,175	166,644
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions. (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)	3,739,622		4,400,713	147,582
Foreign exchange related contracts				
One year or less	39,840,719	259,100	588,512	303,458
Over one year to five years	110,334	1,097	10,326	7,140
Over five years	–	–	–	–
Interest/Profit rate related contracts				
One year or less	2,119,000	8,729	6,298	2,648
Over one year to five years	18,313,866	167,557	511,930	195,617
Over five years	868,367	13,887	72,550	27,707
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	2,640,367		1,317,881	1,042,345
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	9,001,392		1,800,264	1,218,032
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	1,815,376		–	–
Unutilised credit card lines	1,986,667		397,333	293,185
Total	85,845,917	450,370	10,976,126	4,431,864

Appendix IV

BASEL II Pillar 3 Disclosures

As at 31 December 2025

b) Disclosure on Off-Balance Sheet and Counterparty Credit Risk (RM'000) (continued)

The Bank
31.12.2025

Description	Total Principal Amount	Positive Fair Value of Derivative Contracts	Total Credit Equivalent Amount	Total Risk Weighted Amount
Direct Credit Substitutes	470,207		470,206	413,934
Transaction related contingent items	886,188		443,094	367,261
Short Term Self Liquidating trade related contingencies	95,326		19,065	18,374
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions. (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)	4,251,818		5,003,454	103,422
Foreign exchange related contracts				
One year or less	34,818,610	223,417	574,097	207,260
Over one year to five years	199,960	7,150	29,181	20,088
Interest/Profit rate related contracts				
One year or less	5,871,000	5,262	13,671	5,827
Over one year to five years	18,168,464	53,921	433,209	189,199
Over five years	575,720	177	41,698	20,849
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	3,548,693		912,440	983,827
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	5,579,217		1,773,331	959,349
Unutilised credit card lines	1,775,660		355,132	260,964
Total	76,240,863	289,927	10,271,981	3,550,354

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Appendix IV
b) Disclosure on Off-Balance Sheet and Counterparty Credit Risk (RM'000) (continued)
The Bank
31.12.2024

Description	Total Principal Amount	Positive Fair Value of Derivative Contracts	Total Credit Equivalent Amount	Total Risk Weighted Amount
Direct Credit Substitutes	395,893		395,892	355,026
Transaction related contingent items	715,944		357,972	302,841
Short Term Self Liquidating trade related contingencies	43,616		8,723	8,103
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions. (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)	3,739,622		4,400,713	147,582
Foreign exchange related contracts				
One year or less	38,404,456	252,343	562,834	275,137
Over one year to five years	–	–	–	–
Interest/Profit rate related contracts				
One year or less	1,514,000	7,977	4,851	1,940
Over one year to five years	13,313,170	139,816	378,252	141,408
Over five years	765,342	12,462	67,399	25,131
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,827,307		912,440	744,149
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,553,519		910,689	761,604
Unutilised credit card lines	1,592,949		318,590	233,984
Total	66,865,818	412,598	8,318,355	2,996,905

Appendix IV

BASEL II Pillar 3 Disclosures

As at 31 December 2025

c) Disclosure on Market Risk – Interest Rate/Rate of Return Risk in the Banking Book ('IRRBB/RORRBB')

Interest rate/rate of return risk is the risk to earnings and capital arising from exposure to adverse movements in interest/profit rates mainly due to mismatches in timing repricing of assets and liabilities. These mismatches are actively managed from an earnings and economic value perspective.

The objective of interest rate/rate of return risk management is to achieve a stable and sustainable net interest/profit income from the following perspectives:

- 1) Next 12 months' Earnings – Interest rate/rate of return risk from the earnings perspective is the impact based on changes to the net interest/profit income ('NII') over the next 12 months. This risk is measured through sensitivity analysis including the application of an instantaneous 150 basis point parallel shock in interest/profit rates across the yield curve.
- 2) Economic Value – Measuring the change in the Economic Value of Equity ('EVE') is an assessment of the long term impact to the Group's and the Bank's capital. This is assessed through the application of relevant duration factors to capture the net economic value impact over the long term or total life of all balance sheet assets and liabilities to adverse changes in interest/profit rates

Interest rate/rate of return risk thresholds are established in line with the Group's and the Bank's strategy and risk appetite. These thresholds are reviewed regularly to ensure relevance in the context of prevailing market conditions.

When measuring the IRRBB/RORRBB as at 31 December 2025, behavioral models are employed specifically for portfolios or products exhibiting behavioural optionalities. The objective is to incorporate and analyse the behavioural patterns of customers or products concerning changes in interest rates, contributing to a comprehensive understanding of the interest rate risk profile within the banking book.

The governance of IRRBB/RORRBB within the Group and the Bank is overseen by the Group Asset and Liability Management Committee ('GALCO'), Group Board Risk Management Committee ('GBRMC') and the Board of Directors. GALCO is responsible for the strategic management and monitoring of IRRBB/RORRBB, ensuring that the Group and the Bank's interest risk exposure is within the approved risk appetite limit. On the other hand, GBRMC and the Board of Directors provide overarching oversight and ensure that the management of the IRRBB/RORRBB is integrated within the broader risk management framework and aligned with business planning and policy. This dual-layered governance structure ensures comprehensive oversight and accountability.

BASEL II Pillar 3 Disclosures

As at 31 December 2025

Appendix IV

c) Disclosure on Market Risk – Interest Rate/Rate of Return Risk in the Banking Book ('IRRBB/RORRBB') (continued)

The table below shows the Group and the Bank's IRRBB/RORRBB sensitivity under prescribed interest rate shock.

31.12.2025	The Group		The Group	
	Impact on Positions (+100 basis points) Parallel Shift		Impact on Positions (-100 basis points) Parallel Shift	
	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value
Type of Currency (RM million)				
Ringgit Malaysia	(86.8)	(981.5)	(86.8)	(981.5)
US Dollar	0.5	(233.0)	0.5	(233.0)
Singapore Dollar	0.2	0.6	0.2	0.6
Others (#)	(36.4)	(233.3)	(36.4)	(233.3)
Total	(122.5)	(1,447.2)	(122.5)	(1,447.2)

31.12.2024	The Group		The Group	
	Impact on Positions (+100 basis points) Parallel Shift		Impact on Positions (-100 basis points) Parallel Shift	
	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value
Type of Currency (RM million)				
Ringgit Malaysia	114.2	(331.1)	(117.6)	312.7
US Dollar	(36.1)	(121.3)	36.1	121.3
Singapore Dollar	(1.0)	0.3	1.0	(0.3)
Others (#)	(8.9)	(47.0)	8.9	47.0
Total	68.1	(499.0)	(71.6)	480.7

Others comprise of NZD and HKD currencies where the amount of each currency is relatively small.

Appendix IV

BASEL II Pillar 3 Disclosures

As at 31 December 2025

c) Disclosure on Market Risk – Interest Rate/Rate of Return Risk in the Banking Book ('IRBB/RORRBB') (continued)

	The Bank		The Bank	
	Impact on Positions (+100 basis points) Parallel Shift		Impact on Positions (-100 basis points) Parallel Shift	
	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value
31.12.2025				
Type of Currency (RM million)				
Ringgit Malaysia	45.4	(531.1)	30.3	354.1
US Dollar	(24.5)	(96.0)	16.3	64.0
Singapore Dollar	0.3	0.6	0.2	(0.4)
Others (#)	(30.0)	(191.6)	20.0	127.7
Total	(8.8)	(818.2)	66.8	545.4

	The Bank		The Bank	
	Impact on Positions (+100 basis points) Parallel Shift		Impact on Positions (-100 basis points) Parallel Shift	
	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value
31.12.2024				
Type of Currency (RM million)				
Ringgit Malaysia	54.4	(144.7)	(56.4)	136.0
US Dollar	(24.9)	(62.7)	24.9	62.7
Singapore Dollar	(0.9)	0.3	0.9	(0.3)
Others (#)	(9.5)	(31.4)	9.5	31.4
Total	19.2	(238.5)	(21.1)	229.8

Others comprise of NZD and HKD currencies where the amount of each currency is relatively small.