HSBC AMANAH MALAYSIA BERHAD
(Company No. 200801006421 (807705-X))
(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2026

Domiciled in Malaysia
Registered Office:
Level 21, Menara IQ
Lingkaran TRX
Tun Razak Exchange
55188 Kuala Lumpur

HSBC AMANAH MALAYSIA BERHAD
(Company No. 200801006421 (807705-X))
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2026

	Note	**30 Sep 2026 RM'000**	31 Dec 2025 RM'000
Assets			
Cash and short-term funds	*11*	**3,194,439**	5,777,190
Reverse sell and buy back agreement	*12*	**753,274**	284,247
Deposits and placements with banks and other financial institutions	*13*	**1,140,000**	412,571
Financial investments at fair value through other comprehensive income (FVOCI)	*14*	**1,298,094**	1,620,648
Financial investments at amortised cost	*15*	**2,171,124**	2,379,688
Financing and advances	*16*	**12,108,154**	12,793,814
Derivative financial assets	*19*	**264,709**	636,696
Other assets	*20*	**82,172**	199,168
Statutory deposits with Bank Negara Malaysia	*21*	**103,257**	125,111
Equipment		**3,611**	4,836
Deferred tax assets		**41,537**	39,668
Total assets		**21,160,371**	24,273,637
Liabilities			
Deposits from customers	*22*	**13,552,917**	14,388,617
Deposits and placements from banks and other financial institutions	*23*	**926,521**	2,948,356
Structured liabilities designated at fair value through profit or loss (FVTPL)	*24*	**2,044,189**	1,600,277
Bills payable		**6,279**	12,217
Derivative financial liabilities	*19*	**300,345**	667,453
Other liabilities	*25*	**613,769**	1,023,175
Provision for taxation		**49,442**	44,813
Total liabilities		**17,493,462**	20,684,908
Equity			
Share capital and other equity	*26*	**1,656,063**	1,656,063
Reserves		**2,010,846**	1,932,666
Total equity attributable to owner of the Bank		**3,666,909**	3,588,729
Total liabilities and equity		**21,160,371**	24,273,637
Restricted investment accounts [1]		3,070,415	3,141,508
Total Islamic Banking asset [1]		24,230,786	27,415,145
Commitments and contingencies	*33*	**53,981,121**	49,196,883

[1] The disclosure is in accordance with the requirements of Bank Negara Malaysia's Guideline on Financial Reporting for Islamic Banking Institutions dated 29 April 2022.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2025 and the accompanying explanatory notes on pages 7 to 32 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 21 October 2026.

HSBC AMANAH MALAYSIA BERHAD
(Company No. 200801006421 (807705-X))
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2026

		Third Quarter		Nine Months Ended	
		30 Sep 2026	30 Sep 2025	**30 Sep 2026**	30 Sep 2025
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Income derived from investment of depositors' funds and others	*27*	**163,011**	214,642	**577,590**	650,530
Income derived from investment of shareholder's funds	*28*	**105,395**	75,962	**242,211**	209,157
Expected credit losses (ECL) written-back/ (charges)	*29*	**26,282**	(9,468)	**19,946**	(17,899)
Total distributable income		**294,688**	281,136	**839,747**	841,788
Income attributable to depositors	*30*	**(68,069)**	(86,368)	**(217,301)**	(258,615)
Total net income		**226,619**	194,768	**622,446**	583,173
Operating expenses	*31*	**(63,927)**	(73,416)	**(205,688)**	(220,698)
Profit before tax		**162,692**	121,352	**416,758**	362,475
Tax expense		**(38,278)**	(29,678)	**(100,420)**	(87,496)
Profit for the financial period		**124,414**	91,674	**316,338**	274,979
Profit attributable to the owner of the Bank		**124,414**	91,674	**316,338**	274,979
Basic earnings per RM0.50 ordinary share		**124.4 sen**	91.7 sen	**316.3 sen**	275.0 sen
Dividends per RM0.50 ordinary share (net)					
- final dividend paid in respect of prior period		64.0 sen	–	**64.0 sen**	119.0 sen
- interim dividend paid in respect of current year		134.3 sen	55.0 sen	**134.3 sen**	55.0 sen

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2025 and the accompanying explanatory notes on pages 7 to 32 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 21 October 2026.

HSBC AMANAH MALAYSIA BERHAD
(Company No. 200801006421 (807705-X))
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2026

	Third Quarter		Nine Months Ended	
	30 Sep 2026	30 Sep 2025	**30 Sep 2026**	30 Sep 2025
	RM'000	RM'000	**RM'000**	RM'000
Profit for the financial period	**124,414**	91,674	**316,338**	274,979
Other comprehensive income/(expense)				
Items that will not be reclassified to profit or loss				
Own credit reserves:				
Change in fair value	**600**	200	**(1,516)**	3,500
Income tax effect	**(144)**	(48)	**364**	(840)
Items that will subsequently be reclassified to profit or loss when specific conditions are met:				
Fair value through other comprehensive income reserve:				
Change in fair value	**(2,946)**	(1,302)	**(7,141)**	5,341
Net amount transferred from profit or loss	**119**	–	**213**	–
ECL written-back in the income statement	**(17)**	(15)	**(35)**	(73)
Income tax effect	**707**	312	**1,714**	(1,282)
Other comprehensive (expense)/income for the financial period, net of income tax	**(1,681)**	(853)	**(6,401)**	6,646
Total comprehensive income for the financial period	**122,733**	90,821	**309,937**	281,625
Total comprehensive income attributable to the owner of the Bank	**122,733**	90,821	**309,937**	281,625

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2025 and the accompanying explanatory notes on pages 7 to 32 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 21 October 2026.

HSBC AMANAH MALAYSIA BERHAD
(Company No. 200801006421 (807705-X))
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2026

	Non-distributable						Distributable	
	Share capital	*Other equity instrument*	*FVOCI reserve*	*Own credit reserve*	*Capital contribution reserve*	*Regulatory reserve*	*Retained profits*	*Total equity*
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2026								
Balance at 1 January	**660,000**	**996,063**	**4,630**	**2,190**	**283**	**68,100**	**1,857,463**	**3,588,729**
Profit for the financial period	**–**	**–**	**–**	**–**	**–**	**–**	**316,338**	**316,338**
Other comprehensive income, net of tax								
FVOCI reserve/Own Credit reserve								
Net change in fair value	**–**	**–**	**(5,427)**	**(1,152)**	**–**	**–**	**–**	**(6,579)**
Net amount transferred to profit or loss	**–**	**–**	**213**	**–**	**–**	**–**	**–**	**213**
ECL written-back	**–**	**–**	**(35)**	**–**	**–**	**–**	**–**	**(35)**
Total other comprehensive income	**–**	**–**	***(5,249)***	***(1,152)***	**–**	**–**	**–**	***(6,401)***
Total comprehensive income for the financial period	**–**	**–**	**(5,249)**	**(1,152)**	**–**	**–**	**316,338**	**309,937**
Net change in regulatory reserves	**–**	**–**	**–**	**–**	**–**	**3,800**	**(3,800)**	**–**
Transactions with the owner, recorded directly in equity								
Share based payment transactions	**–**	**–**	**–**	**–**	**5**	**–**	**(64)**	**(59)**
Discretionary coupon on other equity instruments	**–**	**–**	**–**	**–**	**–**	**–**	**(33,367)**	**(33,367)**
Dividends paid to owner - 2025 final	**–**	**–**	**–**	**–**	**–**	**–**	**(63,984)**	**(63,984)**
Dividends paid to owner - 2026 interim	–	–	–	–	–	–	**(134,347)**	**(134,347)**
Balance at 30 September	**660,000**	**996,063**	**(619)**	**1,038**	**288**	**71,900**	**1,938,239**	**3,666,909**

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2025 and the accompanying explanatory notes on pages 7 to 32 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 21 October 2026.

HSBC AMANAH MALAYSIA BERHAD
(Company No. 200801006421 (807705-X))
(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2026 (Cont'd)

	Non-distributable						Distributable	
	Share capital	*Other equity instrument*	*FVOCI reserve*	*Own credit reserve*	*Capital contribution reserve*	*Regulatory reserve*	*Retained profits*	*Total equity*
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2025								
Balance at 1 January	660,000	501,063	301	(285)	326	67,000	2,165,334	3,393,739
Profit for the financial period	–	–	–	–	–	–	274,979	274,979
Other comprehensive income, net of tax								
FVOCI reserve/Own Credit reserve								
Net change in fair value	–	–	4,059	2,660	–	–	–	6,719
ECL written-back	–	–	(73)	–	–	–	–	(73)
Total other comprehensive income	–	–	*3,986*	*2,660*	–	–	–	*6,646*
Total comprehensive income for the financial period	–	–	3,986	2,660	–	–	274,979	281,625
Net change in regulatory reserves	–	–	–	–	–	(30,400)	30,400	–
Transactions with the owner, recorded directly in equity								
Share based payment transactions	–	–	–	–	(20)	–	(28)	(48)
Discretionary coupon on other equity instruments	–	–	–	–	–	–	(29,345)	(29,345)
Dividends paid to owner - 2025 interim	–	–	–	–	–	–	(54,992)	(54,992)
Dividends paid to owner - 2024 final	–	–	–	–	–	–	(118,990)	(118,990)
Balance at 30 September	660,000	501,063	4,287	2,375	306	36,600	2,267,358	3,471,989

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2025 and the accompanying explanatory notes on pages 7 to 32 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 21 October 2026.

HSBC AMANAH MALAYSIA BERHAD
(Company No. 200801006421 (807705-X))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2026

	30 Sep 2026	30 Sep 2025
	RM'000	RM'000
Profit before tax	**416,758**	362,475
Adjustments for non-operating and non-cash items	**131,230**	137,059
Operating profit before working capital changes	**547,988**	499,534
Changes in working capital:		
Net changes in operating assets	**(80,244)**	429,309
Net changes in operating liabilities	**(3,269,579)**	839,040
Income tax paid	**(95,711)**	(93,527)
Net cash (used in)/generated from operating activities	**(2,897,546)**	1,674,356
Net cash generated from investing activities	**546,493**	111,925
Net cash used in financing activities	**(231,698)**	(203,327)
	314,795	(91,402)
Net changes in cash and cash equivalents	**(2,582,751)**	1,582,954
Cash and cash equivalents at 1 January	**5,777,190**	2,592,399
Cash and cash equivalents at 30 September	**3,194,439**	4,175,353
Analysis of cash and cash equivalents		
Cash and short-term funds	**3,194,439**	4,175,353

Changes in liabilities arising from financing activities

There is no movement in change in liabilities arising from financing activities for the financial period ended 30 September 2026 and 30 September 2025.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2025 and the accompanying explanatory notes on pages 7 to 32 attached to the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements were approved by the Board of Directors on 21 October 2026.

NOTES TO THE FINANCIAL STATEMENTS

1 General Information

HSBC Amanah Malaysia Berhad (the Bank) is a licensed Islamic Bank under the Islamic Financial Services Act, 2013. The principal activities of the Bank are Islamic banking and related financial services.

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

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

The immediate parent bank and ultimate holding company during the financial period are HSBC Bank Malaysia Berhad (HBMY) and HSBC Holdings Plc, respectively.

The unaudited condensed interim financial statements were approved and authorised for issue by the Board of Directors on 21 October 2026, any amendments made to the notes of the financial statement are in accordance with the delegated authority of the resolution of the Directors.

2 Basis of Preparation

The unaudited condensed interim financial statements for the financial period ended 30 September 2026 have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (MFRS) 134 'Interim Financial Reporting', International Accounting Standard 34 'Interim Financial Reporting' and Bank Negara Malaysia (BNM) requirements on Shariah related disclosures.

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

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

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

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

  The amendments to MFRS 9 and MFRS 7 are to:

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

2 Basis of Preparation (Cont'd)

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

- Annual Improvements to MFRS Accounting Standards

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

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

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

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

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

Effective for annual periods commencing on or after 1 January 2027

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

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

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

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

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

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

3 Functional and Presentation of Currency

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

4 Auditors' Report On Preceding Annual Financial Statements

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5 Seasonal or Cyclical Factors

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

6 Unusual Items Due to Their Nature, Size or Incidence

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

7 Changes in Estimates

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

8 Debt and Equity Securities

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

9 Dividend

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

	Total (RM'million)
Ordinary shares	
In respect of financial year ended 31 December 2025:	
– Final dividend of 64.0 sen (paid on 21 April 2026)	64.0
In respect of financial period ended 30 June 2026:	
– Interim dividend of 134.3 sen (paid on 28 August 2026)	134.3

10 Significant and Subsequent Events

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

11 Cash and Short-Term Funds

	30 Sep 2026 RM'000	31 Dec 2025 RM'000
Cash and balances with banks and other financial institutions	**187,751**	192,786
Money at call and interbank placements with original maturities of three months or less	**3,006,688**	5,584,404
	3,194,439	5,777,190

Money at call and interbank placements with original maturities of three months or less is within stage 1 allocation (12-month ECL) with RM5,000 ECL as at 30 September 2026 (31 December 2025: RM3,000).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

12 Reverse Sell and Buy Back Agreement

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

13 Deposits and Placements with Banks and Other Financial Institutions

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Licensed banks	**1,140,000**	412,571

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

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

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Money market instruments:		
Malaysian Government Islamic Sukuk	**1,298,094**	1,620,648

Financial investments at FVOCI are within stage 1 allocation (12-month ECL) with RM140,000 ECL as at 30 September 2026 (31 December 2025: RM174,000). The carrying amount of financial investments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

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

Maturing within one year	**151,425**	413,408
More than one year to three years	**1,146,669**	1,207,240
	1,298,094	1,620,648

15 Financial Investments at Amortised Cost

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Debt instruments		
Money market instruments:		
Malaysian Government Islamic Sukuk	**1,640,925**	1,929,409
Unquoted:		
Corporate Sukuk	**530,199**	450,279
	2,171,124	2,379,688

Financial investments at amortised cost are within stage 1 allocation (12-month ECL) with RM242,000 ECL as at 30 September 2026 (31 December 2025: RM 222,000).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16 Financing and Advances

(i) By type and Shariah contracts

At amortised cost	Sale-based contracts	Sale-based contracts	Sale-based contracts	Lease-based contracts	Equity-based contracts	
	Bai Al-Dayn	Commodity Murabahah	Tawarruq	Ijarah Thumma Al-Bai	Diminishing Musharakah	Total
30 Sep 2026	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line-i	–	76,680	14,586	–	–	91,266
Term financing:						
House financing	–	–	–	–	3,581,871	3,581,871
Hire purchase receivables	–	–	–	76,349	–	76,349
Syndicated term financing	–	–	1,022,730	–	–	1,022,730
Other term financing	–	–	2,586,414	–	471,451	3,057,865
Trust receipts	–	–	679,992	–	–	679,992
Bills receivables	154,009	–	814,268	–	–	968,277
Staff financing-i	–	–	570	–	207	777
Credit cards-i	–	–	1,160,728	–	–	1,160,728
Revolving financing	–	–	1,666,081	–	–	1,666,081
Other financing	–	–	–	–	2,600	2,600
Gross financing and advances	154,009	76,680	7,945,369	76,349	4,056,129	12,308,536
Less: ECL						(200,382)
Total net financing and advances						12,108,154

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16 Financing and Advances (Cont'd)

(i) By type and Shariah contracts (Cont'd)

At amortised cost	Sale-based contracts	Sale-based contracts	Sale-based contracts	Lease-based contracts	Equity-based contracts		
	Bai Al-Dayn	Commodity Murabahah	Tawarruq	Ijarah Thumma Al-Bai	Diminishing Musharakah	Ujrah	Total
31 Dec 2025	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash line-i	–	64,779	5,129	–	–	–	69,908
Term financing:							
House financing	–	–	–	–	3,678,593	–	3,678,593
Hire purchase receivables	–	–	–	106,461	–	–	106,461
Factoring receivables	–	–	100,028	–	–	–	100,028
Syndicated term financing	–	–	582,474	–	–	–	582,474
Other term financing	–	–	3,021,088	–	551,250	–	3,572,338
Trust receipts	–	–	689,529	–	–	–	689,529
Bills receivables	157,140	–	1,379,923	–	–	–	1,537,063
Staff financing-i	–	–	640	–	218	–	858
Credit cards-i	–	–	1,212,729	–	–	15,563	1,228,292
Revolving financing	–	–	1,429,139	–	–	–	1,429,139
Other financing	–	–	–	–	2,647	–	2,647
Gross financing and advances	157,140	64,779	8,420,679	106,461	4,232,708	15,563	12,997,330
Less: ECL							(203,516)
Total net financing and advances							12,793,814

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16 Financing and Advances (Cont'd)

(ii) By type of customer

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Domestic non-bank financial institutions	**188,184**	146,471
Domestic business enterprises:		
Small medium enterprises	**670,225**	748,029
Others	**4,589,575**	3,936,259
Government and statutory bodies	**–**	152,043
Individuals	**4,956,499**	5,220,192
Other domestic entities	**–**	328
Foreign entities/individuals	**1,904,053**	2,794,008
	12,308,536	12,997,330

(iii) By profit rate sensitivity

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Fixed rate:		
Hire purchase receivables	**76,349**	106,461
Other financing	**3,212,406**	3,940,638
Variable rate:		
Base Rate/Base Financing Rate	**3,089,435**	3,362,906
Cost-plus	**5,930,346**	5,587,325
	12,308,536	12,997,330

(iv) By residual contractual maturity

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Maturing within one year	**4,761,078**	5,107,793
More than one year to three years	**2,003,354**	1,661,867
More than three years to five years	**975,363**	1,464,060
Over five years	**4,568,741**	4,763,610
	12,308,536	12,997,330

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16 Financing and Advances (Cont'd)

(v) By sector

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Agriculture, hunting, forestry & fishing	**291**	712
Mining and quarrying	**91,924**	65,961
Manufacturing	**1,320,315**	1,281,788
Electricity, gas and water	**278,855**	296,401
Construction	**574,494**	748,537
Real estate	**991,203**	856,167
Wholesale & retail trade, restaurants & hotels	**1,104,514**	983,953
Transport, storage and communication	**720,543**	650,887
Finance, takaful and business services	**1,556,238**	2,178,574
Household - retail	**5,497,575**	5,761,018
Others	**172,584**	173,332
	12,308,536	12,997,330

(vi) By purpose

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Purchase of landed property:		
Residential	**3,582,075**	3,678,809
Non-residential	**330,676**	405,975
Purchase of transport vehicles	**526**	546
Purchase of fixed assets excluding land & building	**76,550**	106,824
Consumption credit	**1,825,583**	1,978,922
Construction	**424,397**	583,922
Working capital	**6,068,729**	6,090,289
Other purpose	**–**	152,043
	12,308,536	12,997,330

(vii) By geographical distribution

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Northern Region	**1,135,395**	1,203,373
Southern Region	**1,348,097**	1,422,246
Central Region	**9,628,450**	10,154,254
Eastern Region	**196,594**	217,457
	12,308,536	12,997,330

Concentration by location for financing and advances is based on the location of the customer.

The Northern region consists of the states of Perlis, Kedah, Penang, Perak, Pahang, Kelantan and Terengganu.

The Southern region consists of the states of Johor, Melaka and Negeri Sembilan.

The Central region consists of the states of Selangor, Federal Territory of Kuala Lumpur and Federal Territory of Putrajaya.

The Eastern region consists of the states of Sabah, Sarawak and the Federal Territory of Labuan.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16 Financing and Advances (Cont'd)

(viii) Assets under Management

The details of assets under management in respect of the Syndicated Investment Account Financing (SIAF)/ Investment Agency Account (IAA) financing are as below. The exposures and the corresponding risk weighted amount are reported in investors' financial statements.

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Total gross financing and advances	**2,771,579**	2,367,526
Less: ECL	**(285)**	(176)
Total net financing and advances	**2,771,294**	2,367,350
Maturity not exceeding one year	**287,332**	690,285
Maturity exceeding one year	**11,789**	83,873
Total commitments and contingencies	**299,121**	774,158
Total restricted investment accounts	**3,070,415**	3,141,508
Risk weighted assets (RWA) of restricted investment accounts	**1,970,784**	2,003,013

The SIAF/IAA arrangement is based on the Wakalah principle where HBMY, solely or together with other financial institutions provide the funds, whilst the assets are managed by the Bank (as the Wakeel or agent). However, in the arrangement, the profits of the underlying assets are recognised by HBMY and the other financial institutions proportionately in relation to the funding provided in the syndication arrangement. At the same time, risks on the financing are also proportionately borne by HBMY and the other financial institutions. Hence, the underlying assets and allowance for impairment arising thereon, if any, are proportionately recognised and accounted for by HBMY and the other financial institutions.

The recognition and derecognition treatments of the above are in accordance to Note 3(f) on financial instruments in the audited financial statements of the Bank for the financial year ended 31 December 2025.

17 Impaired Financing

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

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Gross carrying amount as at 1 January	**247,159**	509,979
Transfer within stages	**48,954**	(187,501)
Net further lending	**40,145**	11,702
Written-off	**(59,249)**	(87,021)
Gross carrying amount as at 30 September 2026/31 December 2025	**277,009**	247,159

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

17 Impaired Financing (Cont'd)

(ii) By contract

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Commodity Murabahah	**4,355**	4,957
Diminishing Musharakah	**139,522**	121,088
Ujrah	**–**	7,298
Tawarruq	**133,132**	113,816
	277,009	247,159

(iii) By sector

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Mining and quarrying	**562**	876
Manufacturing	**2,278**	1,293
Electricity, gas and water	**43,730**	43,508
Construction	**2,784**	434
Wholesale & retail trade, restaurants & hotels	**4,316**	5,262
Transport, storage and communication	**891**	880
Finance, takaful and business services	**4,027**	4,174
Household - retail	**218,421**	190,732
	277,009	247,159

(iv) By purpose

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Purchase of landed property:		
Residential	**125,343**	112,781
Non-residential	**3,516**	2,478
Consumption credit	**91,095**	76,575
Construction	**2,508**	–
Working capital	**54,547**	55,325
	277,009	247,159

(v) By geographical distribution

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Northern Region	**24,540**	21,839
Southern Region	**17,865**	14,232
Central Region	**232,727**	210,344
Eastern Region	**1,877**	744
	277,009	247,159

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18 Expected Credit Losses Allowance (ECL)

(i) Movements in ECL allowances for financing and advances

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

	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL not credit impaired	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2026	**24,382**	**89,677**	**89,457**	**203,516**
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	**11,999**	**(11,716)**	**(283)**	**–**
- Transferred to stage 2	**(4,801)**	**13,218**	**(8,417)**	**–**
- Transferred to stage 3	**(238)**	**(8,427)**	**8,665**	**–**
New financial assets originated or purchased	**2,921**	**–**	**–**	**2,921**
Net remeasurement due to changes in credit risk and assets derecognised	**(14,245)**	**7,275**	**61,959**	**54,989**
Assets written-off	**–**	**–**	**(59,249)**	**(59,249)**
Others	**–**	**–**	**(1,795)**	**(1,795)**
Balance at 30 September 2026	**20,018**	**90,027**	**90,337**	**200,382**
Balance at 1 January 2025	26,215	96,996	143,064	266,275
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	36,282	(33,045)	(3,237)	–
- Transferred to stage 2	(1,865)	39,294	(37,429)	–
- Transferred to stage 3	(203)	(2,880)	3,083	–
New financial assets originated or purchased	6,018	–	–	6,018
Net remeasurement due to changes in credit risk and assets derecognised	(42,065)	(10,688)	78,816	26,063
Assets written-off	–	–	(87,021)	(87,021)
Others	–	–	(7,819)	(7,819)
Balance at 31 December 2025	24,382	89,677	89,457	203,516

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

The total ECL allowances decreased by RM3.1 million compared to the balance at the beginning of the year. This net decrease was mainly contributed by the asset written-off (RM59.2 million) during the period, partly offset by net remeasurement due to changes in credit risk (RM55.0 million) and new financial assets originated or purchased (RM2.9 million).

- 12-month ECL not credit impaired (Stage 1) - decreased by RM4.4 million, primarily due to net remeasurement due to changes in credit risk and partially offset by net migration of financing and advances from Stage 2 and Stage 3, and new financial assets originated or purchased.
- Lifetime ECL not credit-impaired (Stage 2) - increased by RM0.4 million, primarily due to net remeasurement due to changes in credit risk and partially offset by net migration of financing and advances to Stage 1 and Stage 3.
- Lifetime ECL credit-impaired (Stage 3) - increased by RM0.9 million, primarily due to net remeasurement due to changes in credit risk, partly offset by asset written-off.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18 Expected Credit Losses Allowance (ECL) (Cont'd)

(ii) Movements in ECL allowances for financing commitments

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

	Stage 1	**Stage 2**	**Stage 3**	
	12-month ECL not credit impaired	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2026	**1,479**	**485**	**36,979**	**38,943**
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	**43**	**(43)**	**–**	**–**
- Transferred to stage 2	**(29)**	**29**	**–**	**–**
- Transferred to stage 3	**–**	**–**	**–**	**–**
New financial assets originated or purchased	**249**	**–**	**–**	**249**
Net remeasurement due to changes in credit risk and assets derecognised	**(799)**	**160**	**(36,983)**	**(37,622)**
Others	**–**	**–**	**4**	**4**
Balance at 30 September 2026	**943**	**631**	**–**	**1,574**
Balance at 1 January 2025	2,333	1,438	24,229	28,000
Changes due to financial assets recognised in the opening balance that have:				
- Transferred to stage 1	460	(460)	–	–
- Transferred to stage 2	(196)	196	–	–
- Transferred to stage 3	(5)	–	5	–
New financial assets originated or purchased	169	–	–	169
Net remeasurement due to changes in credit risk and assets derecognised	(1,282)	(689)	12,773	10,802
Others	–	–	(28)	(28)
Balance at 31 December 2025	1,479	485	36,979	38,943

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

19 Derivative Financial Instruments

Details of derivative financial instruments outstanding are as follows:

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

	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
	Up to 1 Year	>1 - 5 Years	> 5 Years	Total	Up to 1 Year	>1 - 5 Years	> 5 Years	Total	Up to 1 Year	>1 - 5 Years	> 5 Years	Total
30 Sep 2026	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	**35,580,589**	**–**	**–**	**35,580,589**	**239,269**	**–**	**–**	**239,269**	**219,197**	**–**	**–**	**219,197**
- Swaps	**256,804**	**62,638**	**–**	**319,442**	**2,558**	**2,395**	**–**	**4,953**	**2,765**	**2,328**	**–**	**5,093**
Profit rate related contracts												
- Swaps	**680,948**	**93,052**	**416,043**	**1,190,043**	**400**	**384**	**6,097**	**6,881**	**1,042**	**223**	**2,702**	**3,967**
- Options	**209,557**	**–**	**–**	**209,557**	**–**	**–**	**–**	**–**	**517**	**–**	**–**	**517**
Equity related contracts												
- Options purchased	**852,233**	**1,061,671**	**–**	**1,913,904**	**6,386**	**7,079**	**–**	**13,465**	**15,212**	**56,359**	**–**	**71,571**
Sub- total	**37,580,131**	**1,217,361**	**416,043**	**39,213,535**	**248,613**	**9,858**	**6,097**	**264,568**	**238,733**	**58,910**	**2,702**	**300,345**
Hedging derivatives:												
Fair value hedge												
Profit rate related contracts												
- Swaps	**–**	**10,000**	**–**	**10,000**	**–**	**141**	**–**	**141**	**–**	**–**	**–**	**–**
Total	**37,580,131**	**1,227,361**	**416,043**	**39,223,535**	**248,613**	**9,999**	**6,097**	**264,709**	**238,733**	**58,910**	**2,702**	**300,345**

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

19 Derivative Financial Instruments (Cont'd)

	Contract / Notional Amount				Positive Fair Value				Negative Fair Value			
31 Dec 2025	Up to 1 Year RM'000	>1 - 5 Years RM'000	> 5 Years RM'000	Total RM'000	Up to 1 Year RM'000	>1 - 5 Years RM'000	> 5 Years RM'000	Total RM'000	Up to 1 Year RM'000	>1 - 5 Years RM'000	> 5 Years RM'000	Total RM'000
Trading derivatives:												
Foreign exchange contracts												
- Forwards	31,962,615	5,076	–	31,967,691	595,511	10	–	595,521	596,217	–	–	596,217
- Swaps	267,451	78,580	–	346,031	3,684	5,335	–	9,019	3,645	4,885	–	8,530
Profit rate related contracts												
- Swaps	508,240	317,025	429,200	1,254,465	250	2,691	3,842	6,783	245	7	–	252
- Options	281,857	60,760	–	342,617	–	–	–	–	2,030	206	–	2,236
Equity related contracts												
- Options purchased	333,974	963,951	–	1,297,925	21,751	3,622	–	25,373	33,503	26,715	–	60,218
Total	33,354,137	1,425,392	429,200	35,208,729	621,196	11,658	3,842	636,696	635,640	31,813	–	667,453

The Bank does not have any hedging instrument as at 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20 Other Assets

	30 Sep 2026 RM'000	31 Dec 2025 RM'000
Settlements	**15,162**	76,977
Income receivable	**10,922**	10,231
Profit receivable	**20,721**	46,523
Prepayments	**511**	–
Amount due from holding company	**6,392**	16,646
Rights of Use (ROU) assets	**6,748**	21,013
Other receivables	**21,716**	27,778
	82,172	199,168

21 Statutory Deposits with Bank Negara Malaysia

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

22 Deposits From Customers

(i) By type of deposit

	30 Sep 2026	31 Dec 2025
At amortised cost	**RM'000**	RM'000
Non-Mudharabah Fund		
Demand deposits		
- Qard	**3,422,922**	3,993,836
Savings deposits		
- Qard	**3,266,430**	3,252,883
Term deposits		
- Commodity Murabahah	**6,728,634**	6,904,176
- Qard*	**134,931**	237,722
	13,552,917	14,388,617

* Refers to incidental qard treatment due to timing differences between the deposit placement and the execution of Commodity Murabahah.

The maturity structure of term deposits is as follows:

	30 Sep 2026 RM'000	31 Dec 2025 RM'000
Due within six months	**5,790,649**	5,985,495
More than six months to one year	**904,639**	966,436
More than one year to three years	**150,983**	141,513
More than three years to five years	**17,294**	48,454
	6,863,565	7,141,898

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

22 Deposits From Customers (Cont'd)

(ii) By type of customer

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Government and statutory bodies	**5,584**	7,888
Business enterprises	**3,306,160**	3,896,172
Individuals	**5,534,664**	5,923,300
Foreign entities/individuals	**3,557,058**	3,720,279
Others	**1,149,451**	840,978
	13,552,917	14,388,617

23 Deposits and Placements from Banks and Other Financial Institutions

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Non-Mudharabah Fund		
Licensed bank	**906,832**	2,913,265
Bank Negara Malaysia	**19,678**	35,073
Other financial institutions	**11**	18
	926,521	2,948,356

24 Structured Liabilities Designated at Fair Value through profit or loss (FVTPL)

	30 Sep 2026	31 Dec 2025
At fair value	**RM'000**	RM'000
Structured liabilities		
- Tawarruq	**2,044,189**	1,600,277

Structured liabilities are measured at fair value over the life of the instruments. Structured liabilities are deposits with embedded derivatives, of which both profit paid and fair valuation on the structured liabilities are recorded as net income/expense from financial instruments designated at fair value.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25 Other Liabilities

	Note	30 Sep 2026 RM'000	31 Dec 2025 RM'000
At amortised cost			
Settlements		**279,613**	296,161
Amounts due to holding company		**45,917**	364,790
Profit payable		**56,669**	62,057
Deferred income		**22,325**	21,055
Marginal deposit		**8,795**	16,291
Accrued expenses		**16,308**	21,372
Lease liabilities		**7,711**	22,847
Other creditors	(a)	**97,863**	114,767
Provision on financing and credit related commitments	(b)	**1,574**	38,943
Intercompany recharges payable		**76,994**	64,892
		613,769	1,023,175

(a) Other creditors

Included in other creditors is income from Shariah non-compliant activities. The income is to be distributed to charity organisations approved by the Shariah Committee. There is one Shariah Non-Compliant event identified during the financial period (2025: Four events).

Source and use of charity funds	30 Sep 2026 RM'000	31 Dec 2025 RM'000
Balance at 1 January	**3,154**	602
Shariah non-compliant income for the financial period/year [1]	**194**	2,954
Contribution to non-profit organisations [2]	**(442)**	(402)
Balance at 30 September 2026/31 December 2025	**2,906**	3,154

[1] Income received from transactions in nostro accounts and from financing and advances.

[2] Does not include fund refunded to customers of RM641,334 made during the financial year ended 31 December 2025.

(b) Refer to Note 18(ii) for movement in provision.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

26 Share Capital and Other Equity

	30 Sep 2026		31 Dec 2025	
	Number of Shares ('000)	**RM'000**	Number of Shares ('000)	RM'000
Share capital, issued and fully paid				
Ordinary shares of RM0.50 each				
At 1 January / 30 September 2026 / 31 December 2025	**100,000**	**660,000**	100,000	660,000
Other equity				
Additional Tier 1 USD Wakalah Financing Facility[1]		**501,063**		501,063
Additional Tier 1 MYR Wakalah Financing Facility[2]		**495,000**		495,000
Total share capital and other equity		**1,656,063**		1,656,063

The Additional Tier 1 USD and MYR Wakalah Financing Facilities (the Facilities) were issued by the Bank to its immediate holding company, HSBC Bank Malaysia Berhad (HBMY).

The Facilities qualify as Additional Tier 1 capital of the Bank as per the Capital Adequacy Framework for Islamic Banks (Capital Components) issued by Bank Negara Malaysia (BNM). The Facilities will be perpetual with no fixed maturity and may be callable at the option of the Bank after a period of five years, subject to prior approval from BNM. The expected returns generated from the Wakalah investments pursuant to the disbursement of the Facilities are payable on a semi-annual basis (at the full discretion of the Bank at all times). The Facilities have no step up features, or any other terms that may create an expectation that the option for prepayment will be exercised. The Facilities meet the requirements of equity classification as per MFRS 132 'Financial instruments: Presentation'.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27 Income Derived from Investment of Depositors' Funds and Others

	Third Quarter		Nine Months Ended	
	30 Sep 2026	30 Sep 2025	**30 Sep 2026**	30 Sep 2025
	RM'000	RM'000	**RM'000**	RM'000
Income derived from investment of:				
(i) Term deposit	**71,555**	116,211	**311,870**	371,470
(ii) Other deposits	**91,456**	98,431	**265,720**	279,060
	163,011	214,642	**577,590**	650,530
(i) Income derived from investment of term deposits				
Finance income:				
Financing and advances				
- Profit earned other than recoveries from impaired financing	**67,305**	87,654	**233,751**	286,390
- Recoveries from impaired financing	**2,018**	2,865	**7,352**	9,382
Financial investments at FVOCI	**6,023**	8,414	**19,791**	27,032
Money at call and deposit with financial institutions	**14,694**	21,578	**53,106**	50,248
Financial investments at amortised cost	**10,564**	12,314	**33,467**	35,021
	100,604	132,825	**347,467**	408,073
Other operating income:				
Realised gain from dealing in foreign currency	**5,358**	681	**10,059**	24,282
Unrealised gain/(loss) from dealing in foreign currency	**615**	5,546	**10,541**	(4,666)
Realised gain from trading in derivatives	**26,085**	6,995	**65,981**	16,990
Unrealised gain/(loss) from trading in derivatives	**6,087**	8,056	**(12,893)**	11,763
Net financing income from financial assets at FVTPL	**–**	–	**–**	26
Net expense from financial liabilities designated at FVTPL	**(67,198)**	(37,892)	**(109,249)**	(84,998)
Gain/(loss) arising from fair value hedges	**4**	–	**(36)**	**–**
	(29,049)	(16,614)	**(35,597)**	(36,603)
	71,555	116,211	**311,870**	371,470

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27 Income Derived from Investment of Depositors' Funds and Others (Cont'd)

	Third Quarter		Nine Months Ended	
	30 Sep 2026	30 Sep 2025	**30 Sep 2026**	30 Sep 2025
	RM'000	RM'000	**RM'000**	RM'000
(ii) Income derived from investment of other deposits				
Finance income:				
Financing and advances				
- Profit earned other than recoveries from impaired financing	**44,770**	56,360	**147,493**	175,083
- Recoveries from impaired financing	**1,347**	1,843	**4,639**	5,736
Financial investments at FVOCI	**3,991**	5,404	**12,488**	16,526
Money at call and deposit with financial institutions	**9,803**	13,592	**33,509**	30,719
Financial investments at amortised cost	**6,983**	7,845	**21,118**	21,410
	66,894	85,044	**219,247**	249,474
Other operating income:				
Realised gain from dealing in foreign currency	**3,445**	745	**6,347**	14,844
Unrealised gain/(loss) from dealing in foreign currency	**525**	3,249	**6,651**	(2,852)
Realised gain from trading in derivatives	**17,011**	4,416	**41,633**	10,387
Unrealised gain/(loss) from trading in derivatives	**3,579**	4,977	**(8,135)**	7,191
Net financing income from financial assets at FVTPL	**–**	–	**–**	16
Gain/(loss) arising from fair value hedges	**2**	–	**(23)**	–
	24,562	13,387	**46,473**	29,586
	91,456	98,431	**265,720**	279,060

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28 Income Derived from Investment of Shareholder's Funds

	Third Quarter		Nine Months Ended	
	30 Sep 2026	30 Sep 2025	**30 Sep 2026**	30 Sep 2025
	RM'000	RM'000	**RM'000**	RM'000
Finance income:				
Financing and advances				
- Profit earned other than recoveries from impaired financing	**39,545**	23,314	**79,291**	75,368
- Recoveries from impaired financing	**1,220**	762	**2,494**	2,469
Financial investments at FVOCI	**3,425**	2,237	**6,713**	7,114
Money at call and deposit with financial institutions	**8,842**	5,714	**18,014**	13,223
Financial investments at amortised cost	**5,884**	3,269	**11,353**	9,216
	58,916	35,296	**117,865**	107,390
Other operating income:				
Fee commission [1]	**29,640**	34,835	**98,396**	88,237
Realised gain from dealing in foreign currency	**2,289**	208	**3,412**	6,390
Unrealised gain/(loss) from dealing in foreign currency	**1,205**	1,447	**3,575**	(1,228)
Realised gain from trading in derivatives	**12,855**	1,853	**22,382**	4,471
Unrealised gain/(loss) from trading in derivatives	**159**	2,126	**(4,373)**	3,097
Net financing income from financial assets at FVTPL	**–**	–	**–**	7
Loss arising from fair value hedges	**(2)**	–	**(12)**	–
Shared-service fees from holding company	**165**	181	**544**	601
Other income	**168**	16	**422**	192
	46,479	40,666	**124,346**	101,767
	105,395	75,962	**242,211**	209,157

[1] The above fees and commissions were derived from the following major contributors:

Service charges and fees	**3,416**	7,124	**9,027**	16,485
Credit cards	**5,373**	6,346	**19,170**	23,344
Credit facilities	**3,542**	2,626	**9,739**	7,744
Agency fee	**12,964**	8,027	**37,385**	22,643

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29 ECL (Written-back)/Charges

	Third Quarter		Nine Months Ended	
	30 Sep 2026	30 Sep 2025	**30 Sep 2026**	30 Sep 2025
	RM'000	RM'000	**RM'000**	RM'000
Net (release)/increase in ECL	**(13,021)**	24,484	**18,772**	61,663
Recoveries	**(13,273)**	(15,017)	**(38,730)**	(43,767)
Written off	**12**	1	**12**	3
Total ECL (written-back)/charges	**(26,282)**	9,468	**(19,946)**	17,899

Breakdown of the ECL is disclosed by financial instruments type are as follow:

(i) Financing and advances

Net increase in ECL	**10,582**	13,948	**56,152**	51,377
Recoveries	**(13,273)**	(15,017)	**(38,730)**	(43,767)
Written off	**12**	1	**12**	3
Total ECL (written-back)/charges	**(2,679)**	(1,068)	**17,434**	7,613

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

Net increase/(release) in ECL	**3**	(1)	**8**	1

(iii) Financing commitments

Net (release)/increase in ECL	**(23,645)**	10,522	**(37,373)**	10,359

(iv) Financial investments at FVOCI

Net release in ECL	**(17)**	(15)	**(35)**	(74)

(v) Financial investments at amortised costs

Net increase in ECL	**56**	30	**20**	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 Income Attributable to Depositors

	Third Quarter		Nine Months Ended	
	30 Sep 2026	30 Sep 2025	**30 Sep 2026**	30 Sep 2025
	RM'000	RM'000	**RM'000**	RM'000
Non-Mudharabah Fund				
Deposits from customers	**59,333**	62,766	**179,578**	191,475
Deposits and placements of banks and other financial institutions	**8,656**	23,324	**37,206**	65,722
Lease liabilities	**80**	276	**517**	822
Others	**–**	2	**–**	596
	68,069	86,368	**217,301**	258,615

31 Operating Expenses

	Third Quarter		Nine Months Ended	
	30 Sep 2026	30 Sep 2025	**30 Sep 2026**	30 Sep 2025
	RM'000	RM'000	**RM'000**	RM'000
Personnel expenses	**7,511**	9,002	**30,703**	30,675
Promotion and marketing related expenses	**2,512**	871	**6,245**	4,688
Establishment related expenses	**(2,445)**	3,616	**4,903**	10,799
General administrative expenses	**6,768**	8,259	**15,923**	20,330
Related company expenses	**49,581**	51,668	**147,914**	154,206
	63,927	73,416	**205,688**	220,698
Personnel expenses				
Salaries, allowances and bonuses	**6,955**	6,521	**21,489**	23,561
Employees Provident Fund contributions	**1,239**	1,094	**3,828**	4,108
Share based payment	**33**	16	**114**	73
Other staff related costs	**(716)**	1,371	**5,272**	2,933
	7,511	9,002	**30,703**	30,675
Establishment related expenses				
Depreciation of equipment	**421**	370	**1,265**	1,098
Depreciation of ROU assets	**(4,133)**	1,546	**(764)**	4,566
Information technology costs	**(10)**	757	**1,038**	2,240
General repairs and maintenance	**922**	644	**2,260**	1,876
Utilities	**232**	235	**687**	685
Others	**123**	64	**417**	334
	(2,445)	3,616	**4,903**	10,799

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 Operating Expenses (Cont'd)

	Third Quarter		Nine Months Ended	
	30 Sep 2026	30 Sep 2025	**30 Sep 2026**	30 Sep 2025
	RM'000	RM'000	**RM'000**	RM'000
Related company charges	**49,581**	51,668	**147,914**	154,206
Of which by:				
(i) Type of service				
- Information technology related cost	**11,260**	11,310	**33,408**	33,604
- Non information technology related cost	**38,321**	40,358	**114,506**	120,602
(ii) Country/ territory				
- Malaysia	**47,667**	51,423	**144,262**	152,944
- Others	**1,914**	245	**3,652**	1,262

32 Capital Adequacy

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Common Equity Tier 1 (CET1) capital		
Paid-up ordinary share capital	**660,000**	660,000
Retained profits	**1,813,826**	1,857,463
Other reserves	**72,607**	75,203
Regulatory adjustments	**(116,457)**	(114,880)
Total CET1 capital	**2,429,976**	2,477,786
Tier 1 capital		
Additional Tier 1 capital	**996,063**	996,063
Total Tier 1 capital	**3,426,039**	3,473,849
Tier 2 capital		
General provisions	**161,967**	160,355
Total Tier 2 capital	**161,967**	160,355
Capital base	**3,588,006**	3,634,204
Before deducting proposed dividend		
CET1 Capital Ratio	**17.354%**	17.889%
Tier 1 Capital Ratio	**24.467%**	25.081%
Total Capital Ratio	**25.624%**	26.239%
After deducting proposed dividend		
CET1 Capital Ratio	**17.354%**	17.427%
Tier 1 Capital Ratio	**24.467%**	24.619%
Total Capital Ratio	**25.624%**	25.777%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32 Capital Adequacy (Cont'd)

The total capital and capital adequacy ratios have been computed based on Bank Negara Malaysia's (BNM) Capital Adequacy Framework for Islamic Banks related to Capital Components and Risk-Weighted Assets (RWA). The Bank adopts the Standardised Approach for Credit Risk, Market Risk and Operational Risk. The RWA for Operational Risk has been computed based on the Capital Adequacy Framework (Operational Risk), which is aligned with Basel III standards. Effective from 1 July 2026, the RWA for Credit Risk have been computed in accordance with BNM's Capital Adequacy Framework (Standardised Approach for Credit Risk), issued on 20 November 2024, which is aligned with the Basel III standards.

Breakdown of RWA in the various categories of risk weights:

	30 Sep 2026	31 Dec 2025
	RM'000	RM'000
Total RWA for credit risk	**12,957,361**	12,828,362
Total RWA for market risk	**56,010**	61,261
Total RWA for operational risk	**989,152**	960,931
	14,002,523	13,850,554

33 Commitments and Contingencies

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

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

	30 Sep 2026	31 Dec 2025
Principal amount	**RM'000**	RM'000
Direct credit substitutes	**113,061**	17,583
Transaction-related contingent items	**1,893,285**	1,943,537
Short-term self-liquidating trade-related contingencies	**153,527**	53,913
Formal standby facilities and credit lines		
- Maturity not exceeding one year	**1,811,276**	1,162,283
- Maturity exceeding one year	**3,839,210**	4,204,036
Other unconditionally cancellable commitments	**3,881,471**	3,428,525
Unutilised credit card lines	**3,065,756**	3,178,277
Equity related contracts		
- Less than one year	**852,233**	333,974
- One year to less than five years	**1,061,671**	963,951
Profit rate related contracts		
- Less than one year	**890,505**	790,097
- One year to less than five years	**103,052**	377,785
- Over five years	**416,043**	429,200
Foreign exchange related contracts		
- Less than one year	**35,837,393**	32,230,066
- One year to less than five years	**62,638**	83,656
	53,981,121	49,196,883

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34 Performance Review, Economy and Prospects

Performance Review

The Bank recorded a profit before tax (PBT) of RM416.8 million for the financial period ended 30 September 2026, an increase of RM54.3 million year-on-year. The improved PBT was mainly due to impairment write-back of RM19.9 million compared to a net charge of RM17.9 million last year, coupled with lower operating expenses of RM15.0 million and higher operating income of RM1.4 million.

Total balance sheet as at 30 September 2026 stood at RM21.2 billion, a decrease of RM3.1 billion compared to 31 December 2025 of RM24.3 billion. The Bank's capital and liquidity ratios remained strong and were well above the regulatory requirements.

Economy and Prospects

The global economic was broadly resilient, supported by continued technology-related spending, improving supply conditions and stable labour markets. However, geopolitical tensions in the Middle East continued to create risks to growth and contributed to higher energy costs and inflationary pressures.

Malaysia’s economy expanded by 6.0% in the second quarter of 2026, compared with 5.4% in the first quarter, supported by continued domestic demand and robust export expansion in the services and manufacturing sector. Inflation edged higher in the second quarter with the impact of higher external cost pressures partly contained by domestic policy measures. Bank Negara Malaysia (BNM) maintained the Overnight Policy Rate (OPR) at 2.75% to support continued price stability and sustainable economic growth. Looking ahead, Ministry of Finance expects Malaysia’s economic growth for full year 2026 to be at the upper-end of the projected range of 4.8% to 5.3%[1].

Against this backdrop, the Bank and its parent, HSBC Bank Malaysia Berhad, collectively referred to as HSBC Malaysia, continued to support clients involved in Malaysia’s international trade, investment and economic transformation. During the period under review, HSBC Malaysia collaborated with The Edge on the “The Value Chain Shift: Scaling Talent, Capital and Capability up the Chip Ladder” symposium, which brought together government and industry stakeholders to discuss financing, talent and capability development in Malaysia’s electrical and electronics (E&E) and semiconductor sectors. HSBC Malaysia also partnered with The Edge on the Pre-Budget 2027 Roundtable, bringing together a diversified group from the government, industry and academia to share their perspectives and priorities ahead of the federal budget. HSBC Malaysia also supported the Government of Malaysia as joint lead manager and joint bookrunner for a USD1.5 billion sukuk issuance which achieved the tightest-ever spreads for a US dollar sukuk issued by the Government of Malaysia.

During the period under review, the Bank received several accolades at The Asset Triple A Islamic Finance Awards, including “Islamic Wealth Manager of the Year”, “Islamic ESG Bank of The Year” and “Best Islamic Trade Finance Bank”.

HSBC Amanah remains committed to supporting its customers and being the preferred international financial partner for clients in Malaysia.

[1]As issued by the Ministry of Finance (MOF) in the Economic Outlook 2027, as part of Budget 2027, tabled in Parliament on 9 October 2026.