

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
31 MARCH 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 31 MARCH 2026

	<i>Note</i>	31 Mar 2026 RM'000	31 Dec 2025 RM'000
Assets			
Cash and short-term funds	11	3,990,813	5,777,190
Reverse sell and buy back agreement	12	579,409	284,247
Deposits and placements with banks and other financial institutions	13	400,000	412,571
Financial investments at fair value through other comprehensive income (FVOCI)	14	1,594,248	1,620,648
Financial investments at amortised cost	15	2,132,175	2,379,688
Financing and advances	16	12,753,530	12,793,814
Derivative financial assets	19	429,712	636,696
Other assets	20	84,296	199,168
Statutory deposits with Bank Negara Malaysia	21	105,339	125,111
Equipment		4,415	4,836
Deferred tax assets		41,005	39,668
Total assets		22,114,942	24,273,637
Liabilities			
Deposits from customers	22	13,481,502	14,388,617
Deposits and placements from banks and other financial institutions	23	1,908,357	2,948,356
Structured liabilities designated at fair value through profit or loss (FVTPL)	24	1,772,852	1,600,277
Bills payable		9,332	12,217
Derivative financial liabilities	19	513,608	667,453
Other liabilities	25	710,294	1,023,175
Provision for taxation		55,116	44,813
Total liabilities		18,451,061	20,684,908
Equity			
Share capital and other equity	26	1,656,063	1,656,063
Reserves		2,007,818	1,932,666
Total equity attributable to owner of the Bank		3,663,881	3,588,729
Total liabilities and equity		22,114,942	24,273,637
Restricted investment accounts ^[1]		3,124,655	3,141,508
Total Islamic Banking asset ^[1]		25,239,597	27,415,145
Commitments and contingencies	33	48,839,974	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 April 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 31 MARCH 2026

	<i>Note</i>	31 Mar 2026 RM'000	31 Mar 2025 RM'000
Income derived from investment of depositors' funds and others	27	215,135	225,715
Income derived from investment of shareholder's funds	28	57,301	55,264
Expected credit losses (ECL) charges	29	<u>(4,389)</u>	<u>(11,617)</u>
Total distributable income		268,047	269,362
Income attributable to depositors	30	<u>(75,819)</u>	<u>(83,634)</u>
Total net income		192,228	185,728
Operating expenses	31	<u>(70,526)</u>	<u>(71,842)</u>
Profit before tax		121,702	113,886
Tax expense		<u>(30,182)</u>	<u>(28,244)</u>
Profit for the financial period		<u>91,520</u>	<u>85,642</u>
Profit attributable to the owner of the Bank		<u>91,520</u>	<u>85,642</u>
Basic earnings per RM0.50 ordinary share		<u>91.5 sen</u>	<u>85.6 sen</u>

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.

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

UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026

	31 Mar 2026	31 Mar 2025
	RM'000	RM'000
Profit for the financial period	91,520	85,642
Other comprehensive income/(expense)		
<i>Items that will not be reclassified to profit or loss</i>		
Own credit reserves:		
Change in fair value	(1,571)	1,851
Income tax effect	377	(444)
<i>Items that will subsequently be reclassified to profit or loss when specific conditions are met:</i>		
Fair value through other comprehensive income reserve:		
Change in fair value	(4,125)	946
Net amount transferred from profit or loss	95	–
ECL charges/(written-back) in the income statement	17	(25)
Income tax effect	990	(227)
Other comprehensive (expense)/income for the financial period, net of income tax	(4,217)	2,101
Total comprehensive income for the financial period	<u>87,303</u>	<u>87,743</u>
Total comprehensive income attributable to the owner of the Bank	<u>87,303</u>	<u>87,743</u>

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

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026

	Non-distributable					Distributable		Total equity
	Share capital	Other equity instrument	FVOCI reserve	Own credit reserve	Capital contribution reserve	Regulatory reserve	Retained profits	
	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	–	–	–	–	–	–	91,520	91,520
Other comprehensive income, net of tax								
FVOCI reserve/Own Credit reserve								
Net change in fair value	–	–	(3,135)	(1,194)	–	–	–	(4,329)
Net amount transferred to profit or loss	–	–	95	–	–	–	–	95
ECL charges	–	–	17	–	–	–	–	17
<i>Total other comprehensive income</i>	–	–	(3,023)	(1,194)	–	–	–	(4,217)
Total comprehensive income for the financial period	–	–	(3,023)	(1,194)	–	–	91,520	87,303
Net change in regulatory reserves	–	–	–	–	–	20,900	(20,900)	–
Transactions with the owner, recorded directly in equity								
Share based payment transactions	–	–	–	–	35	–	(62)	(27)
Discretionary coupon on other equity instruments	–	–	–	–	–	–	(12,124)	(12,124)
Balance at 31 March	660,000	996,063	1,607	996	318	89,000	1,915,897	3,663,881

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 April 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 31 MARCH 2026 (Cont'd)

	Non-distributable					Distributable		Total equity
	Share capital	Other equity instrument	FVOCI reserve	Own credit reserve	Capital contribution reserve	Regulatory reserve	Retained profits	
	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	–	–	–	–	–	–	85,642	85,642
Other comprehensive income, net of tax								
FVOCI reserve/Own Credit reserve								
Net change in fair value	–	–	719	1,407	–	–	–	2,126
ECL written-back	–	–	(25)	–	–	–	–	(25)
<i>Total other comprehensive income</i>	–	–	694	1,407	–	–	–	2,101
Total comprehensive income for the financial period	–	–	694	1,407	–	–	85,642	87,743
Net change in regulatory reserves	–	–	–	–	–	(7,500)	7,500	–
Transactions with the owner, recorded directly in equity								
Share based payment transactions	–	–	–	–	29	–	(27)	2
Discretionary coupon on other equity instruments	–	–	–	–	–	–	(15,687)	(15,687)
Balance at 31 March	660,000	501,063	995	1,122	355	59,500	2,242,762	3,465,797

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 April 2026.

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

UNAUDITED CONDENSED CASH FLOW STATEMENT
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026

	31 Mar 2026	31 Mar 2025
	RM'000	RM'000
Profit before tax	121,702	113,886
Adjustments for non-operating and non-cash items	31,428	40,481
Operating profit before working capital changes	153,130	154,367
Changes in working capital:		
Net changes in operating assets	27,559	(165,366)
Net changes in operating liabilities	(2,200,776)	706,905
Income tax paid	(19,898)	(24,438)
Net cash generated from operating activities	(2,039,985)	671,468
Net cash generated from investing activities	265,732	83,597
Net cash used in financing activities	(12,124)	(15,687)
	253,608	67,910
Net changes in cash and cash equivalents	(1,786,377)	739,378
Cash and cash equivalents at 1 January	5,777,190	2,592,399
Cash and cash equivalents at 31 March	3,990,813	3,331,777
Analysis of cash and cash equivalents		
Cash and short-term funds	3,990,813	3,331,777

Changes in liabilities arising from financing activities

There is no movement in change in liabilities arising from financing activities for the financial period ended 31 March 2026 and 31 March 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 April 2026.

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

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 April 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 31 March 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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.

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 31 March 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 31 March 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 31 March 2026.

9 Dividend

No interim dividend was declared nor paid during the financial period ended 31 March 2026.

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

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Cash and balances with banks and other financial institutions	182,159	192,786
Money at call and interbank placements with original maturities of three months or less	3,808,654	5,584,404
	3,990,813	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 RM6,000 ECL as at 31 March 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 lendings and the amounts lent are reported as assets, measured at amortised cost. The balance is within Stage 1 allocation (12-month ECL) with no ECL required for the Bank as at 31 March 2026 and 31 December 2025.

13 Deposits and Placements with Banks and Other Financial Institutions

	31 Mar 2026 RM'000	31 Dec 2025 RM'000
Licensed banks	<u>400,000</u>	<u>412,571</u>

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

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

	31 Mar 2026 RM'000	31 Dec 2025 RM'000
Money market instruments:		
Malaysian Government Islamic Sukuk	<u>1,594,248</u>	<u>1,620,648</u>

Financial investments at FVOCI are within stage 1 allocation (12-month ECL) with RM191,000 ECL as at 31 March 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	392,067	413,408
More than one year to three years	<u>1,202,181</u>	<u>1,207,240</u>
	<u>1,594,248</u>	<u>1,620,648</u>

15 Financial Investments at Amortised Cost

	31 Mar 2026 RM'000	31 Dec 2025 RM'000
Debt instruments		
Money market instruments:		
Malaysian Government Islamic Sukuk	1,781,889	1,929,409
Unquoted:		
Corporate Sukuk	<u>350,286</u>	<u>450,279</u>
	<u>2,132,175</u>	<u>2,379,688</u>

Financial investments at amortised cost are within stage 1 allocation (12-month ECL) with RM205,000 ECL as at 31 March 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	Sale-based	Sale-based	Lease-based	Equity-based	Total
	contracts	contracts	contracts	contracts	contracts	
	Bai Al-Dayn RM'000	Commodity Murabahah RM'000	Tawarruq RM'000	Ijarah Thumma Al-Bai RM'000	Diminishing Musharakah RM'000	RM'000
31 Mar 2026						
Cash line-i	–	69,929	8,598	–	–	78,527
Term financing:						
House financing	–	–	–	–	3,649,086	3,649,086
Hire purchase receivables	–	–	–	94,880	–	94,880
Syndicated term financing	–	–	569,761	–	–	569,761
Other term financing	–	–	3,138,218	–	526,270	3,664,488
Trust receipts	–	–	548,375	–	–	548,375
Bills receivables	178,101	–	1,498,987	–	–	1,677,088
Staff financing-i	–	–	665	–	214	879
Credit cards-i	–	–	1,186,277	–	–	1,186,277
Revolving financing	–	–	1,487,468	–	–	1,487,468
Other financing	–	–	–	–	2,309	2,309
Gross financing and advances	178,101	69,929	8,438,349	94,880	4,177,879	12,959,138
Less: ECL						(205,608)
Total net financing and advances						12,753,530

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	Sale-based	Sale-based	Lease-based	Equity-based	Ujrah	Total
	contracts	contracts	contracts	contracts	contracts		
	Bai Al-Dayn RM'000	Commodity Murabahah RM'000	Tawarruq RM'000	Ijarah Thumma Al-Bai RM'000	Diminishing Musharakah RM'000		
31 Dec 2025							
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	8,415,550	106,461	4,232,708	20,692	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

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Domestic non-bank financial institutions	171,639	146,471
Domestic business enterprises:		
Small medium enterprises	714,637	748,029
Others	4,006,479	3,936,259
Government and statutory bodies	52,026	152,043
Individuals	5,111,737	5,220,192
Other domestic entities	–	328
Foreign entities/individuals	2,902,620	2,794,008
	<u>12,959,138</u>	<u>12,997,330</u>

(iii) By profit rate sensitivity

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Fixed rate:		
Hire purchase receivables	94,880	106,461
Other financing	3,868,532	3,940,638
Variable rate:		
Base Rate/Base Financing Rate	3,266,414	3,362,906
Cost-plus	5,729,312	5,587,325
	<u>12,959,138</u>	<u>12,997,330</u>

(iv) By residual contractual maturity

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Maturing within one year	5,131,431	5,107,793
More than one year to three years	2,027,472	1,661,867
More than three years to five years	1,030,501	1,464,060
Over five years	4,769,734	4,763,610
	<u>12,959,138</u>	<u>12,997,330</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16 Financing and Advances (Cont'd)

(v) By sector

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Agriculture, hunting, forestry & fishing	574	712
Mining and quarrying	99,962	65,961
Manufacturing	1,230,823	1,281,788
Electricity, gas and water	292,346	296,401
Construction	733,246	748,537
Real estate	1,083,184	856,167
Wholesale & retail trade, restaurants & hotels	869,112	983,953
Transport, storage and communication	604,242	650,887
Finance, takaful and business services	2,320,619	2,178,574
Household - retail	5,659,642	5,761,018
Others	65,388	173,332
	<u>12,959,138</u>	<u>12,997,330</u>

(vi) By purpose

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Purchase of landed property:		
Residential	3,649,300	3,678,809
Non-residential	376,683	405,975
Purchase of transport vehicles	585	546
Purchase of fixed assets excluding land & building	95,181	106,824
Consumption credit	1,910,898	1,978,922
Construction	546,487	583,922
Working capital	6,380,004	6,090,289
Other purpose	–	152,043
	<u>12,959,138</u>	<u>12,997,330</u>

(vii) By geographical distribution

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Northern Region	1,141,721	1,203,373
Southern Region	1,323,955	1,422,246
Central Region	10,281,604	10,154,254
Eastern Region	211,858	217,457
	<u>12,959,138</u>	<u>12,997,330</u>

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.

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Total gross financing and advances	2,749,518	2,367,526
Less: ECL	(276)	(176)
Total net financing and advances	2,749,242	2,367,350
<i>Maturity not exceeding one year</i>	282,905	690,285
<i>Maturity exceeding one year</i>	92,508	83,873
Total commitments and contingencies	375,413	774,158
Total restricted investment accounts	3,124,655	3,141,508
Risk weighted assets (RWA) of restricted investment accounts	1,984,572	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:

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Gross carrying amount as at 1 January	247,159	509,979
Transfer within stages	18,344	(187,501)
Net further lending	1,857	11,702
Written-off	(18,320)	(87,021)
Gross carrying amount as at 31 March 2026/31 December 2025	249,040	247,159

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

17 Impaired Financing (Cont'd)

(ii) By contract

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Commodity Murabahah	4,653	4,957
Diminishing Musharakah	127,825	121,088
Ujrah	–	7,298
Tawarruq	116,562	113,816
	249,040	247,159

(iii) By sector

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Mining and quarrying	759	876
Manufacturing	1,963	1,293
Electricity, gas and water	43,304	43,508
Construction	382	434
Wholesale & retail trade, restaurants & hotels	4,253	5,262
Transport, storage and communication	888	880
Finance, takaful and business services	4,029	4,174
Household - retail	193,462	190,732
	249,040	247,159

(iv) By purpose

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Purchase of landed property:		
Residential	115,944	112,781
Non-residential	2,398	2,478
Consumption credit	76,164	76,575
Working capital	54,534	55,325
	249,040	247,159

(v) By geographical distribution

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Northern Region	23,539	21,839
Southern Region	18,121	14,232
Central Region	204,481	210,344
Eastern Region	2,899	744
	249,040	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 RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total 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	8,241	(8,040)	(201)	–
- Transferred to stage 2	(2,111)	6,816	(4,705)	–
- Transferred to stage 3	(15)	(4,802)	4,817	–
New financial assets originated or purchased	1,197	–	–	1,197
Net remeasurement due to changes in credit risk and assets derecognised	(4,464)	7,692	16,544	19,772
Assets written-off	–	–	(18,320)	(18,320)
Others	–	–	(557)	(557)
Balance at 31 March 2026	27,230	91,343	87,035	205,608
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 increased by RM2.1 million compared to the balance at the beginning of the year. This net increase was mainly contributed by net remeasurement due to changes in credit risk (RM19.8 million) and new financial assets originated or purchased (RM1.2 million), partly offset by assets written-off (RM18.3 million).

- 12-month ECL not credit impaired (Stage 1) - increased by RM2.8 million primarily due to migration of financing and advances from Stage 2 and Stage 3 and new financial assets originated or purchased, partially offset by net remeasurement due to changes in credit risk and assets derecognised.
- Lifetime ECL not credit-impaired (Stage 2) - increased by RM1.7 million, primarily due to net remeasurement due to changes in credit risk and assets derecognised, partially offset by migration of financing and advances to Stage 1 and 3.
- Lifetime ECL credit-impaired (Stage 3) - decreased by RM2.4 million, primarily due to assets written-off and net migration of financing and advances to Stage 1 and 2, partially offset by net remeasurement due to changes in credit risk and assets derecognised.

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 RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total 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	9	(9)	-	-
- Transferred to stage 2	(10)	10	-	-
- Transferred to stage 3	-	-	-	-
New financial assets originated or purchased	133	-	-	133
Net remeasurement due to changes in credit risk and assets derecognised	1,084	740	(6,003)	(4,179)
Others	-	-	4	4
Balance at 31 March 2026	2,695	1,226	30,980	34,901
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
31 Mar 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	31,392,598	–	–	31,392,598	394,352	–	–	394,352	372,878	–	–	372,878
- Swaps	269,527	73,208	–	342,735	3,167	3,785	–	6,952	3,134	3,814	–	6,948
Profit rate related contracts												
- Swaps	416,745	289,197	429,200	1,135,142	471	1,711	3,694	5,876	450	234	–	684
- Options	340,647	–	–	340,647	–	–	–	–	2,133	–	–	2,133
Equity related contracts												
- Options purchased	349,490	1,192,693	–	1,542,183	20,181	2,337	–	22,518	39,866	91,099	–	130,965
Sub- total	32,769,007	1,555,098	429,200	34,753,305	418,171	7,833	3,694	429,698	418,461	95,147	–	513,608
Hedging derivatives:												
Fair value hedge												
Profit rate related contracts												
- Swaps	–	10,000	–	10,000	–	14	–	14	–	–	–	–
Total	32,769,007	1,565,098	429,200	34,763,305	418,171	7,847	3,694	429,712	418,461	95,147	–	513,608

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

19 Derivative Financial Instruments (Cont'd)

	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
31 Dec 2025	RM'000				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Settlements	–	76,977
Income receivable	11,271	10,231
Profit receivable	20,224	46,523
Amount due from holding company	11,670	16,646
Rights of Use (ROU) assets	19,693	21,013
Other receivables	21,438	27,778
	84,296	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

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
At amortised cost		
Non-Mudharabah Fund		
Demand deposits		
- Qard	2,996,730	3,993,836
Savings deposits		
- Qard	3,317,976	3,252,883
Term deposits		
- Commodity Murabahah	6,962,466	6,904,176
- Qard*	204,330	237,722
	13,481,502	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:

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Due within six months	5,723,265	5,985,495
More than six months to one year	1,260,222	966,436
More than one year to three years	147,646	141,513
More than three years to five years	35,663	48,454
	7,166,796	7,141,898

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

22 Deposits From Customers (Cont'd)

(ii) By type of customer

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Government and statutory bodies	15,820	7,888
Business enterprises	3,134,845	3,896,172
Individuals	5,935,222	5,923,300
Foreign entities/individuals	3,710,516	3,720,279
Others	685,099	840,978
	<u>13,481,502</u>	<u>14,388,617</u>

23 Deposits and Placements from Banks and Other Financial Institutions

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Non-Mudharabah Fund		
Licensed bank	1,903,090	2,913,265
Bank Negara Malaysia	5,256	35,073
Other financial institutions	11	18
	<u>1,908,357</u>	<u>2,948,356</u>

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

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
At fair value		
Structured liabilities		
- Tawarruq	1,772,852	1,600,277
	<u>1,772,852</u>	<u>1,600,277</u>

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	31 Mar 2026 RM'000	31 Dec 2025 RM'000
At amortised cost			
Settlements		231,607	296,161
Amounts due to holding company		103,941	364,790
Profit payable		58,638	62,057
Deferred income		23,684	21,055
Marginal deposit		17,171	16,291
Accrued expenses		17,798	21,372
Lease liabilities		21,454	22,847
Other creditors	(a)	121,877	114,767
Provision on financing and credit related commitments	(b)	34,901	38,943
Intercompany recharges payable		79,223	64,892
		710,294	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	31 Mar 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]	62	2,954
Contribution to non-profit organisations ^[2]	(442)	(402)
Balance at 31 March 2026/31 December 2025	2,774	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

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

[1] 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'.

<u>Issuance date</u>	<u>Nominal value</u>	<u>Issuance cost</u>	<u>Dividend rate</u>
19 August 2022	RM501.1 million	–	SOFR plus 137 basis points per annum
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

	31 Mar 2026	31 Mar 2025
	RM'000	RM'000
Income derived from investment of:		
(i) Term deposit	148,138	156,020
(ii) Other deposits	66,997	69,695
	215,135	225,715
(i) Income derived from investment of term deposits		
<u>Finance income:</u>		
Financing and advances		
- Profit earned other than recoveries from impaired financing	83,897	101,149
- Recoveries from impaired financing	2,707	3,185
Financial investments at FVOCI	6,778	9,325
Money at call and deposit with financial institutions	18,702	11,259
Financial investments at amortised cost	11,764	10,995
	123,848	135,913
<u>Other operating income:</u>		
Realised (loss)/gain from dealing in foreign currency	(4,859)	3,160
Unrealised gain from dealing in foreign currency	11,908	3,432
Realised gain from trading in derivatives	16,735	5,790
Unrealised loss from trading in derivatives	(40,368)	(33,006)
Net financing income from financial assets at FVTPL	-	26
Net income from financial liabilities designated at FVTPL	40,917	40,705
Loss arising from fair value hedges	(43)	-
	24,290	20,107
	148,138	156,020

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

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

	31 Mar 2026	31 Mar 2025
	RM'000	RM'000
(ii) Income derived from investment of other deposits		
<u>Finance income:</u>		
Financing and advances		
- Profit earned other than recoveries from impaired financing	52,423	61,134
- Recoveries from impaired financing	1,692	1,925
Financial investments at FVOCI	4,235	5,636
Money at call and deposit with financial institutions	11,686	6,805
Financial investments at amortised cost	7,350	6,645
	77,386	82,145
<u>Other operating income:</u>		
Realised (loss)/gain from dealing in foreign currency	(3,036)	1,909
Unrealised gain from dealing in foreign currency	7,441	2,074
Realised gain from trading in derivatives	10,457	3,499
Unrealised loss from trading in derivatives	(25,224)	(19,948)
Net financing income from financial assets at FVTPL	-	16
Loss arising from fair value hedges	(27)	-
	(10,389)	(12,450)
	66,997	69,695

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28 Income Derived from Investment of Shareholder's Funds

	31 Mar 2026	31 Mar 2025
	RM'000	RM'000
<u>Finance income:</u>		
Financing and advances		
- Profit earned other than recoveries from impaired financing	19,871	27,209
- Recoveries from impaired financing	641	857
Financial investments at FVOCI	1,605	2,509
Money at call and deposit with financial institutions	4,430	3,029
Financial investments at amortised cost	2,786	2,958
	29,333	36,562
<u>Other operating income:</u>		
Fee commission ^[1]	31,693	23,921
Realised (loss)/gain from dealing in foreign currency	(1,151)	850
Unrealised gain from dealing in foreign currency	2,820	923
Realised gain from trading in derivatives	3,964	1,558
Unrealised loss from trading in derivatives	(9,561)	(8,879)
Net financing income from financial assets at FVTPL	–	7
Shared-service fees from holding company	183	226
Loss arising from fair value hedges	(10)	–
Other income	30	96
	27,968	18,702
	57,301	55,264
^[1] The above fees and commissions were derived from the following major contributors:		
Service charges and fees	2,830	3,352
Credit cards	6,575	8,260
Credit facilities	2,768	2,768
Agency fee	10,103	6,573

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

29 ECL Charges

	31 Mar 2026	31 Mar 2025
	RM'000	RM'000
Net increase in ECL	17,585	24,568
Recoveries	(13,196)	(12,953)
Written off	–	2
Total ECL charges	4,389	11,617

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

(i) Financing and advances

Net increase in ECL	21,619	21,852
Recoveries	(13,196)	(12,953)
Written off	–	2
Total ECL charges	8,423	8,901

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

Net increase/(release) in ECL	13	(1)
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(iii) Financing commitments

Net (release)/increase in ECL	(4,046)	2,652
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(iv) Financial investments at FVOCI

Net increase/(release) in ECL	16	(25)
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(v) Financial investments at amortised costs

Net (release)/increase in ECL	(17)	90
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NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

30 Income Attributable to Depositors

	31 Mar 2026	31 Mar 2025
	RM'000	RM'000
Non-Mudharabah Fund		
Deposits from customers	59,754	64,427
Deposits and placements of banks and other financial institutions	15,813	18,395
Lease liabilities	252	268
Others	–	544
	75,819	83,634

31 Operating Expenses

	31 Mar 2026	31 Mar 2025
	RM'000	RM'000
Personnel expenses	8,848	10,332
Promotion and marketing related expenses	1,778	1,734
Establishment related expenses	4,342	3,768
General administrative expenses	5,712	7,117
Related company expenses	49,846	48,891
	70,526	71,842
Personnel expenses		
Salaries, allowances and bonuses	7,013	8,327
Employees Provident Fund contributions	1,256	1,464
Share based payment	9	35
Other staff related costs	570	506
	8,848	10,332
Establishment related expenses		
Depreciation of equipment	421	376
Depreciation of ROU assets	2,018	1,480
Information technology costs	955	1,031
General repairs and maintenance	582	582
Utilities	226	218
Others	140	81
	4,342	3,768

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31 Operating Expenses (Cont'd)

	31 Mar 2026	31 Mar 2025
	RM'000	RM'000
Related company charges	49,846	48,891
Of which by:		
(i) Type of service		
- Information technology related cost	10,974	10,581
- Non information technology related cost	38,872	38,310
(ii) Country/ territory		
- Malaysia	49,413	48,455
- Others	433	436

32 Capital Adequacy

	31 Mar 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	1,824,376	1,857,463
Other reserves	91,921	75,203
Regulatory adjustments	(134,275)	(114,880)
Total CET1 capital	2,442,022	2,477,786
Tier 1 capital		
Additional Tier 1 capital	996,063	996,063
Total Tier 1 capital	3,438,085	3,473,849
Tier 2 capital		
General provisions	151,567	160,355
Total Tier 2 capital	151,567	160,355
Capital base	3,589,652	3,634,204
<u>Before deducting proposed dividend</u>		
CET1 Capital Ratio	18.569%	17.889%
Tier 1 Capital Ratio	26.143%	25.081%
Total Capital Ratio	27.296%	26.239%
<u>After deducting proposed dividend</u>		
CET1 Capital Ratio	18.083%	17.427%
Tier 1 Capital Ratio	25.657%	24.619%
Total Capital Ratio	26.809%	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 BNM's Capital Adequacy Framework for Islamic Banks related to Capital Components and Risk-Weighted Assets. The Bank has adopted the Standardised Approach for Credit Risk, Market Risk and Operational Risk. The RWA for Operational Risk has been computed based on the Capital Adequacy Framework (Operational Risk) issued on 15 December 2023, in line with Basel III standards.

Breakdown of RWA in the various categories of risk weights:

	31 Mar 2026	31 Dec 2025
	RM'000	RM'000
Total RWA for credit risk	12,125,385	12,828,362
Total RWA for market risk	55,584	61,261
Total RWA for operational risk	970,004	960,931
	<u>13,150,973</u>	<u>13,850,554</u>

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.

	31 Mar 2026	31 Dec 2025
Principal amount	RM'000	RM'000
Direct credit substitutes	16,809	17,583
Transaction-related contingent items	1,995,792	1,943,537
Short-term self-liquidating trade-related contingencies	64,238	53,913
Formal standby facilities and credit lines		
- Maturity not exceeding one year	1,314,228	1,162,283
- Maturity exceeding one year	3,841,051	4,204,036
Other unconditionally cancellable commitments	3,680,217	3,428,525
Unutilised credit card lines	3,164,334	3,178,277
Equity related contracts		
- Less than one year	349,490	333,974
- One year to less than five years	1,192,693	963,951
Profit rate related contracts		
- Less than one year	757,392	790,097
- One year to less than five years	299,197	377,785
- Over five years	429,200	429,200
Foreign exchange related contracts		
- Less than one year	31,662,125	32,230,066
- One year to less than five years	73,208	83,656
	<u>48,839,974</u>	<u>49,196,883</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

34 Performance Review, Economy and Prospects

Performance Review

The Bank recorded a profit before tax (PBT) of RM121.7 million for the financial period ended 31 March 2026, an increase of RM7.8 million year-on-year. The improved PBT was mainly due to a decrease in ECL charge of RM7.2 million and lower operating expenses by RM1.3 million. This was partly offset by lower operating income of RM0.7 million.

Total balance sheet as at 31 March 2026 stood at RM22.1 billion, a decrease of RM2.2 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 outlook remains uncertain with the ongoing Middle East tensions, which have increased energy-market volatility and weighed on risk sentiment, while shifting trade policies and tariffs continue to reshape cross-border investment and supply chains. Malaysia remains resilient despite external headwinds, supported by broad-based trade and domestic demand.

Against this backdrop, HSBC Amanah Malaysia Berhad (the Bank) and its parent company, hereinafter collectively referred to as 'HSBC Malaysia', continue to focus on strengthening our wealth and client proposition. HSBC Malaysia launched our all-new Premier Centre in Petaling Jaya, enhancing accessibility and the Premier customer experience through dedicated relationship management and personalised wealth and banking solutions. We also supported Malaysia's socioeconomic priorities as the sole international bank strategic partner for Forum Ekonomi Malaysia (FEM 2026), which convened 5,000 policymakers, business leaders, investors and the public.

HSBC Malaysia was also recognised by Euromoney as Malaysia's No. 1 Trade Finance Provider, and by The Asset as "Digital Bank of the Year" and "Best Bank for Sustainable Finance (International)".

We remain committed to serving our customers and being the preferred international financial partner for our clients.