



FINANCIAL
REPORT
2025

PROGRESS
WITH
PURPOSE

STATUTORY FINANCIAL STATEMENTS

1	Responsibility Statement by the Board of Directors
2	Directors' Report
8	Statements of Financial Position
10	Income Statements
11	Statements of Comprehensive Income
12	Statements of Changes in Equity
16	Statements of Cash Flows
22	Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions
46	Notes to the Financial Statements
186	Statement by Directors
186	Statutory Declaration
187	Independent Auditors' Report to the Members of RHB Bank Berhad

Responsibility Statement by the Board of Directors

The Directors are responsible in ensuring that the audited financial statements of the Group and the Bank are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 in Malaysia, Bank Negara Malaysia's Guidelines and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Bank are prepared with reasonable accuracy from the accounting records of the Group and the Bank so as to give a true and fair view of the financial position of the Group and the Bank as at 31 December 2025 and of the financial performance and cash flows of the Group and the Bank for the financial year ended 31 December 2025.

The audited financial statements are prepared on the going concern basis and the Directors have ensured that appropriate and relevant accounting policies are applied on a consistent basis and accounting judgements and estimates made are reasonable and fair so as to enable the preparation of the financial statements of the Group and the Bank.

The Directors have also taken the necessary steps to safeguard the assets of the Group and the Bank to prevent and detect fraud and other irregularities.

Directors' Report

The Directors submit herewith their report together with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Bank are commercial banking and finance related business and the provision of related services. The Group is involved in commercial banking and finance related business, Islamic banking, investment banking, stock broking, leasing, offshore banking, property investment, general insurance, unit trust management, asset management, nominee and custodian services.

There have been no significant changes in these principal activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Bank RM'000
Profit before taxation and zakat	4,378,483	3,465,920
Taxation and zakat	(1,009,610)	(696,674)
Net profit for the financial year	3,368,873	2,769,246
Attributable to:		
- Equity holders of the Bank	3,363,249	2,769,246
- Non-controlling interests	5,624	-
	3,368,873	2,769,246

DIVIDENDS

The dividends paid by the Bank since 31 December 2024 were as follows:

	RM'000
In respect of the financial year ended 31 December 2024:	
- Single-tier second interim cash dividend of 28.0 sen per share, paid on 9 April 2025	1,220,657
In respect of the financial year ended 31 December 2025:	
- Single-tier interim cash dividend of 15.0 sen per share, paid on 30 September 2025	654,287
	1,874,944

A single-tier second interim cash dividend of 35.0 sen per share in respect of the financial year ended 31 December 2025, amounting to RM1,526,670,000 has been declared by the Board of Directors. The single-tier second interim cash dividend was approved by the Board of Directors on 28 January 2026.

The financial statements for the current financial year do not reflect this single-tier second interim cash dividend in respect of the financial year ended 31 December 2025. This dividend payment will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2026.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2025.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

ISSUE OF SHARES

On 3 July 2025, the Bank increased its issued and paid up share capital from RM8,687,254,584 to RM8,701,096,766 via the issuance of 2,424,200 new ordinary shares at RM5.71 per share arising from the vesting of Share Grant Scheme ('SGS') shares awarded on 4 July 2022 as disclosed in Note 33 to the financial statements.

The new ordinary shares issued during the financial year rank *pari passu* in all respects with the existing shares of the Bank.

BAD AND DOUBTFUL DEBTS AND FINANCING

Before the financial statements of the Group and the Bank were made out, the Directors took reasonable steps to ascertain that proper actions have been taken in relation to the writing off of bad debts and financing and the making of allowance for impaired debts and financing, and satisfied themselves that all known bad debts and financing have been written off and that adequate allowance had been made for impaired debts and financing.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad debts and financing or the amount of allowance for impaired debts and financing in the financial statements of the Group and the Bank inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and the Bank were made out, the Directors took reasonable steps to ensure that any current assets, other than debts and financing, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and the Bank, had been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and the Bank misleading.

VALUATION METHOD

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and the Bank misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and the Bank which has arisen since the end of the financial year other than in the ordinary course of business.

No contingent or other liability of the Group and the Bank has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and the Bank to meet their obligations as and when they fall due.

Directors' Report

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and the Bank which would render any amount stated in the financial statements misleading or inappropriate.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and the Bank for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group or the Bank for the financial year in which this report is made.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Significant event during the financial year is disclosed in Note 58 to the financial statements.

EVENT SUBSEQUENT TO THE FINANCIAL YEAR END

Event subsequent to the financial year end is disclosed in Note 59 to the financial statements.

DIRECTORS

The Directors of the Bank in office during the financial year and during the period from the end of the financial year to the date of the report are:

Tan Sri Ahmad Badri Mohd Zahir
Tan Sri Ong Leong Huat @ Wong Joo Hwa
Ong Ai Lin
Lim Cheng Teck
Dato' Mohamad Nasir Ab Latif
Donald Joshua Jaganathan
Datuk Iain John Lo
Hijah Arifakh Othman
Nadzirah Abd Rashid
Dato' Mohd Rashid Mohamad

Pursuant to Clause 94 of the Bank's Constitution, Lim Cheng Teck, Datuk Iain John Lo and Tan Sri Ahmad Badri Mohd Zahir retire at the forthcoming Annual General Meeting of the Bank and being eligible, offer themselves for re-election.

Ms. Ong Ai Lin is due to retire by rotation in accordance with Clause 94 of the Bank's Constitution. Having reached the nine-year tenure limit under the Guidelines on Tenure of Appointment/Re-Appointment of Non-Executive Directors of RHB Banking Group, she has expressed her intention not to seek re-election at the forthcoming AGM. Accordingly, she will remain in office until the conclusion of the 60th AGM.

By way of relief order dated 5 February 2026 granted by the Companies Commission of Malaysia, the names of Directors of subsidiaries as required under Section 253(2) of the Malaysian Companies Act 2016 have not been disclosed in this Report. Their names are set out in the respective subsidiaries' Directors' Report or financial statements and the said information is deemed incorporated herein by such reference and shall form part hereof.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, the Directors in office at the end of the financial year holding shares of the Bank and its related corporations are as follows:

	Number of ordinary shares			As at 31.12.2025
	As at 1.1.2025	Acquired/ Vested	Sold	
Bank				
Tan Sri Ong Leong Huat @ Wong Joo Hwa:				
- Indirect	33,837*	-	-	33,837
- Indirect	447,768,886^	-	-	447,768,886
- Indirect	-	200,000~	-	200,000
Ong Ai Lin:				
- Direct	29,071	-	-	29,071
Donald Joshua Jaganathan:				
- Direct	-	40,000@	-	40,000
Dato' Mohd Rashid Mohamad:				
- Direct	-	182,000#	-	182,000

Notes:

* The interest is held through family members.

^ Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of shares held through OSK Holdings Berhad.

~ Deemed interest pursuant to Section 8(4) of the Companies Act 2016 by virtue of spouse's shareholdings in 3 Fairies Holdings Sdn Bhd that acquired the shares during the financial year.

@ Shares acquired in the open market.

Shares issued on 3 July 2025 arising from vesting of SGS shares awarded on 4 July 2022.

Other than the above, none of the other Directors holding office at the end of the financial year had any interest in the shares of the Bank or its related corporations during the financial year.

SHARE GRANT SCHEME ('SGS')

The Bank has on 2 June 2022 implemented the SGS, which was approved by the shareholders at an extraordinary general meeting held on 27 April 2022.

The SGS is intended to motivate employees, attract talents and retain key employees through the grant of the ordinary shares in the Bank ('RHB Bank Share(s)') of up to 2% of the total number of issued shares of the Bank (excluding treasury shares, if any) at any point in time during the duration of the SGS for employees and Executive Directors of the Bank and its subsidiaries (excluding subsidiaries which are dormant) who fulfil the eligibility criteria ('Eligible Employees'). The SGS which is to be administered by the Board Nominating and Remuneration Committee ('BNRC') comprising such persons as may be appointed by the Board from time to time, shall be in force for a period of nine years commencing from the effective date of implementation of the SGS, and the vesting period for each grant offered will be 3 years from the offer date.

Details of the SGS shares awarded are as follows:

Award date	Fair value RM	Awarded Unit'000	Vesting date
Grant 1 - 4 July 2022	5.71	4,685	3 July 2025
Grant 2 - 22 May 2023	5.50	5,445	30 June 2026
Grant 3 - 4 March 2024	5.62	4,725	30 June 2027
Grant 3A - 1 July 2024	5.50	142	30 June 2027
Grant 4 - 4 March 2025	6.86	5,145	30 June 2028
Grant 4A - 13 May 2025	6.82	85	30 June 2028

Directors' Report

SHARE GRANT SCHEME ('SGS') (CONTINUED)

The movement of the SGS shares during the financial year ended 31 December 2025 are as follows:

Award date	Number of SGS shares (Unit'000)				As at 31.12.2025
	As at 1.1.2025	Awarded	Vested	Forfeited	
Grant 1 - 4 July 2022	3,863	-	(2,424)	(1,439)	-
Grant 2 - 22 May 2023	4,672	-	-	(350)	4,322
Grant 3 - 4 March 2024	4,515	-	-	(388)	4,127
Grant 3A - 1 July 2024	142	-	-	(125)	17
Grant 4 - 4 March 2025	-	5,145	-	(387)	4,758
Grant 4A - 13 May 2025	-	85	-	-	85

The movement of the SGS shares awarded to Group Managing Director and key management personnel during the financial year ended 31 December 2025 are as follows:

Group	Number of SGS shares (Unit'000)				As at 31.12.2025
	As at 1.1.2025	Awarded	Vested	Forfeited	
Group					
Dato' Mohd Rashid Mohamad	950	335	(182)	(98)	1,005
Key management personnel	2,750	1,097	(504)	(546)	2,797
Bank					
Dato' Mohd Rashid Mohamad	950	335	(182)	(98)	1,005
Key management personnel	2,280	935	(413)	(447)	2,355

DIRECTORS' BENEFITS

Total Directors' remuneration for the Group and the Bank for the financial year ended 31 December 2025 are RM15,436,000 and RM13,045,000 respectively.

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive any benefit (other than Directors' remuneration and benefits-in-kind as disclosed in Note 41 to the financial statements) by reason of a contract made by the Bank or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

During and at the end of the financial year, no arrangements subsisted to which the Bank or its subsidiaries is a party, being arrangements with the object or objects of enabling the Directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate, other than the shares granted pursuant to the SGS as disclosed in Note 52 to the financial statements.

SUBSIDIARIES

Details of subsidiaries are set out in Note 15 to the financial statements.

AUDITORS' REMUNERATION

Total auditors' remuneration for the Group and the Bank for the financial year ended 31 December 2025 are RM7,822,000 and RM5,166,000 respectively.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

TAN SRI AHMAD BADRI MOHD ZAHIR
CHAIRMAN

DATO' MOHD RASHID MOHAMAD
GROUP MANAGING DIRECTOR

Kuala Lumpur
27 February 2026

Statements of Financial Position

As At 31 December 2025

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Cash and short-term funds	2	6,647,983	11,551,647	7,018,100	13,222,186
Securities purchased under resale agreements		34,474	59,355	-	100,213
Deposits and placements with banks and other financial institutions	3	548,947	811,180	8,549,203	8,037,443
Investment account due from designated financial institutions	4	-	-	6,719,876	4,640,875
Financial assets at fair value through profit or loss ('FVTPL')	5	5,858,917	5,699,882	2,797,386	3,082,107
Financial assets at fair value through other comprehensive income ('FVOCI')	6	56,023,912	51,776,595	46,666,043	43,067,114
Financial investments at amortised cost	7	27,815,410	30,112,469	17,268,818	18,930,344
Loans, advances and financing	8	247,910,408	234,967,648	141,194,266	137,221,740
Clients' and brokers' balances	9	741,613	755,014	-	-
Insurance/reinsurance contract assets	10	470,850	499,692	-	-
Other assets	11	2,075,385	1,936,484	2,168,579	2,510,865
Derivative assets	12	2,452,598	2,748,423	2,594,126	2,832,307
Statutory deposits	13	2,286,380	3,829,823	1,152,093	1,889,262
Tax recoverable		80,447	88,573	-	-
Deferred tax assets	14	523,223	355,402	257,536	253,475
Investments in subsidiaries	15	-	-	4,806,459	4,698,018
Investments in associates	16	64,675	74,535	144,800	110,800
Right-of-use assets	17	111,586	142,057	84,855	80,255
Property, plant and equipment	18	989,733	1,018,277	780,971	786,640
Goodwill	19	2,649,307	2,649,307	1,714,913	1,714,913
Intangible assets	20	818,394	838,284	731,299	742,358
TOTAL ASSETS		358,104,242	349,914,647	244,649,323	243,920,915

The accompanying accounting policies and notes form an integral part of these financial statements.

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
LIABILITIES AND EQUITY					
Deposits from customers	21	252,537,199	249,565,470	151,648,804	155,078,777
Deposits and placements of banks and other financial institutions	22	31,017,827	27,205,021	32,483,183	28,814,676
Obligations on securities sold under repurchase agreements	23	7,440,728	13,412,388	11,568,389	16,273,461
Investment accounts	24	11,004	1,258,804	-	-
Bills and acceptances payable		283,233	261,592	281,027	258,887
Clients' and brokers' balances	25	848,739	841,715	-	-
Insurance/reinsurance contract liabilities	10	1,186,590	1,156,004	-	-
Other liabilities	26	9,226,929	6,437,888	5,786,832	4,137,262
Derivative liabilities	12	2,808,567	2,285,168	2,762,065	2,483,745
Recourse obligation on loans sold to Cagamas Berhad ('Cagamas')	27	2,772,403	2,104,358	-	900,024
Provision for taxation and zakat	28	97,704	100,577	4,684	20,904
Deferred tax liabilities	14	14,673	26,748	-	-
Lease liabilities	29	122,306	150,916	88,054	81,823
Borrowings	30	5,144,411	2,622,507	4,188,332	1,764,270
Senior debt securities	31	7,019,953	6,573,859	7,019,953	6,573,859
Subordinated obligations	32	3,381,872	3,380,268	2,520,509	2,522,031
TOTAL LIABILITIES		323,914,138	317,383,283	218,351,832	218,909,719
Share capital	33	8,701,097	8,687,255	8,701,097	8,687,255
Reserves	34	25,445,021	23,804,964	17,596,394	16,323,941
Equity attributable to holders of the Bank		34,146,118	32,492,219	26,297,491	25,011,196
Non-controlling interests ('NCI')	35	43,986	39,145	-	-
TOTAL EQUITY		34,190,104	32,531,364	26,297,491	25,011,196
TOTAL LIABILITIES AND EQUITY		358,104,242	349,914,647	244,649,323	243,920,915
COMMITMENTS AND CONTINGENCIES	48	427,187,389	413,059,596	434,482,666	415,194,310

The accompanying accounting policies and notes form an integral part of these financial statements.

Income Statements

For The Financial Year Ended 31 December 2025

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income	36	9,811,600	10,134,048	9,823,978	10,028,727
Interest expense	37	(5,931,411)	(6,264,748)	(5,912,728)	(6,135,706)
Net interest income		3,880,189	3,869,300	3,911,250	3,893,021
Other operating income	38	2,734,769	2,559,614	2,309,095	2,060,976
Income from Islamic Banking business	39	2,159,313	2,175,980	2,990	(15,850)
Net income		8,774,271	8,604,894	6,223,335	5,938,147
Other operating expenses	40	(4,153,892)	(4,021,429)	(2,653,919)	(2,674,074)
Operating profit before allowances		4,620,379	4,583,465	3,569,416	3,264,073
Allowance for credit losses on financial assets	42	(214,237)	(535,339)	(84,076)	(278,488)
Impairment losses made on other non-financial assets	43	-	(1,788)	(19,420)	(98,000)
		4,406,142	4,046,338	3,465,920	2,887,585
Share of results of associates		(27,659)	(26,192)	-	-
Profit before taxation and zakat		4,378,483	4,020,146	3,465,920	2,887,585
Taxation and zakat	44	(1,009,610)	(896,031)	(696,674)	(599,485)
Net profit for the financial year		3,368,873	3,124,115	2,769,246	2,288,100
Attributable to:					
- Equity holders of the Bank		3,363,249	3,120,211	2,769,246	2,288,100
- NCI		5,624	3,904	-	-
		3,368,873	3,124,115	2,769,246	2,288,100
Earnings per share (sen)					
- Attributable to equity holders of the Bank					
- Basic	45	77.13	72.02		
- Diluted	45	76.89	71.80		

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements of Comprehensive Income

For The Financial Year Ended 31 December 2025

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net profit for the financial year		3,368,873	3,124,115	2,769,246	2,288,100
Other comprehensive income/(loss) in respect of:					
(i) Items that will not be reclassified to profit or loss:					
(a) Actuarial gain on defined benefit plan of subsidiaries		350	870	-	-
(b) Equity instruments designated at FVOCI					
- Unrealised net gain on revaluation		59,052	56,392	57,093	52,936
(ii) Items that will be reclassified subsequently to profit or loss:					
(a) Foreign currency translation reserves					
- Currency translation differences		(344,180)	(192,083)	(84,859)	(89,763)
(b) Debt instruments measured at FVOCI					
- Unrealised net gain on revaluation		948,888	286,238	831,878	265,942
- Net transfer to income statements on disposal		(352,150)	(240,913)	(306,494)	(221,458)
- Changes in expected credit losses and exchange differences	6	6,583	(5,477)	5,224	(4,948)
Income tax relating to components of other comprehensive income	14,46	(143,398)	(11,025)	(126,092)	(10,676)
Other comprehensive income/(loss), net of tax, for the financial year		175,145	(105,998)	376,750	(7,967)
Total comprehensive income for the financial year		3,544,018	3,018,117	3,145,996	2,280,133
Total comprehensive income attributable to:					
- Equity holders of the Bank		3,538,647	3,014,360	3,145,996	2,280,133
- NCI		5,371	3,757	-	-
		3,544,018	3,018,117	3,145,996	2,280,133

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 31 December 2025

Note	Attributable to equity holders of the Bank										Total Equity RM'000
	Share Capital RM'000	Statutory Reserves RM'000	Regulatory Reserves RM'000	FVOCI Reserves RM'000	Translation Reserves RM'000	Other Reserves RM'000	Share-Based Payment Reserves RM'000	Retained Profits RM'000	Total Shareholders' Equity RM'000	Non-controlling Interests RM'000	
Group											
Balance as at 1 January 2025	8,687,255	112,375	1,688,697	193,087	632,846	25,975	35,588	21,116,396	32,492,219	39,145	32,531,364
Net profit for the financial year	-	-	-	-	-	-	-	3,363,249	3,363,249	5,624	3,368,873
Foreign currency translation reserves:											
- Currency translation differences	-	(10,547)	-	-	(333,345)	-	(34)	-	(343,926)	(254)	(344,180)
Financial assets measured at FVOCI:											
- Equity instruments											
- Unrealised net gain on revaluation	-	-	-	59,052	-	-	-	-	59,052	-	59,052
- Debt instruments											
- Unrealised net gain on revaluation	-	-	-	948,888	-	-	-	-	948,888	-	948,888
- Net transfer to income statements on disposal	-	-	-	(352,150)	-	-	-	-	(352,150)	-	(352,150)
- Changes in expected credit losses and exchange differences	-	-	-	6,583	-	-	-	-	6,583	-	6,583
Actuarial gain on defined benefit plan of subsidiaries	-	-	-	-	-	-	-	347	347	3	350
Income tax relating to components of other comprehensive income	14,46	-	-	(143,193)	-	-	-	(203)	(143,396)	(2)	(143,398)
Other comprehensive income/(loss), net of tax, for the financial year	-	(10,547)	-	519,180	(333,345)	-	(34)	144	175,398	(253)	175,145
Total comprehensive income/(loss) for the financial year	-	(10,547)	-	519,180	(333,345)	-	(34)	3,363,393	3,538,647	5,371	3,544,018
Dividends paid	47	-	-	-	-	-	-	(1,874,944)	(1,874,944)	(530)	(1,875,474)
Shares issued pursuant to SGS	33	13,842	-	-	-	-	(13,842)	-	-	-	-
Shares-based payment expenses	-	-	-	-	-	-	15,277	-	15,277	-	15,277
Shares of reserve of an associate	-	-	-	-	-	-	-	592	592	-	592
Transfer to statutory reserve	-	353	-	-	-	-	-	(353)	-	-	-
Transfer to regulatory reserves	-	-	150,763	-	-	-	-	(150,763)	-	-	-
Liquidation of subsidiaries	-	-	-	-	(25,673)	-	-	-	(25,673)	-	(25,673)
Balance as at 31 December 2025	8,701,097	102,181	1,839,460	712,267	273,828	25,975	36,989	22,454,321	34,146,118	43,986	34,190,104

The accompanying accounting policies and notes form an integral part of these financial statements.

	← Attributable to equity holders of the Bank →										Total Equity RM'000	
	Note	Share Capital RM'000	Statutory Reserves RM'000	Regulatory Reserves RM'000	FVOCI Reserves RM'000	Translation Reserves RM'000	Other Reserves RM'000	Share-Based Payment Reserves RM'000	Retained Profits RM'000	Total Shareholders' Equity RM'000		Non-controlling Interests RM'000
Group												
Balance as at 1 January 2024		8,330,324	115,907	1,780,366	107,696	867,855	25,975	17,105	19,629,339	30,874,567	36,497	30,911,064
Net profit for the financial year		-	-	-	-	-	-	-	3,120,211	3,120,211	3,904	3,124,115
Foreign currency translation reserves:												
- Currency translation differences		-	(3,018)	-	-	(188,902)	-	(9)	-	(191,929)	(154)	(192,083)
Financial assets measured at FVOCI:												
- Equity instruments												
- Unrealised net gain on revaluation		-	-	-	56,392	-	-	-	-	56,392	-	56,392
- Debt instruments												
- Unrealised net gain on revaluation		-	-	-	286,238	-	-	-	-	286,238	-	286,238
- Net transfer to income statements on disposal		-	-	-	(240,913)	-	-	-	-	(240,913)	-	(240,913)
- Changes in expected credit losses and exchange differences		-	-	-	(5,477)	-	-	-	-	(5,477)	-	(5,477)
Actuarial gain on defined benefit plan of subsidiaries		-	-	-	-	-	-	-	861	861	9	870
Income tax relating to components of other comprehensive income	14,46	-	-	-	(10,849)	-	-	-	(174)	(11,023)	(2)	(11,025)
Other comprehensive (loss)/income net of tax, for the financial year		-	(3,018)	-	85,391	(188,902)	-	(9)	687	(105,851)	(147)	(105,998)
Total comprehensive income/(loss) for the financial year		-	(3,018)	-	85,391	(188,902)	-	(9)	3,120,898	3,014,360	3,757	3,018,117
Dividends paid	47	-	-	-	-	-	-	-	(1,725,510)	(1,725,510)	(1,060)	(1,726,570)
Shares issued pursuant to Dividend Reinvestment Plan ("DRP")	33	356,931	-	-	-	-	-	-	-	356,931	-	356,931
Share-based payment expenses		-	-	-	-	-	18,492	-	-	18,492	-	18,492
Transfer from regulatory reserves		-	-	(91,669)	-	-	-	91,669	-	-	-	-
Disposal of subsidiaries		-	(514)	-	-	(60,369)	-	-	-	(60,883)	(49)	(60,932)
Liquidation of subsidiaries		-	-	-	-	14,262	-	-	-	14,262	-	14,262
Balance as at 31 December 2024		8,687,255	112,375	1,688,697	193,087	632,846	25,975	35,588	21,116,396	32,492,219	39,145	32,531,364

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements of Changes in Equity

For The Financial Year Ended 31 December 2025

	Note	Non-distributable				Distributable		Total Equity RM'000
		Share Capital RM'000	Regulatory Reserves RM'000	FVOCI Reserves RM'000	Translation Reserves RM'000	Share-Based Payment Reserves RM'000	Retained Profits RM'000	
Bank								
Balance as at 1 January 2025		8,687,255	1,038,167	185,905	434,060	35,588	14,630,221	25,011,196
Net profit for the financial year		-	-	-	-	-	2,769,246	2,769,246
Foreign currency translation reserves:								
- Currency translation differences		-	-	-	(84,859)	-	-	(84,859)
Financial assets measured at FVOCI:								
- Equity instruments								
- Unrealised net gain on revaluation		-	-	57,093	-	-	-	57,093
- Debt instruments								
- Unrealised net gain on revaluation		-	-	831,878	-	-	-	831,878
- Net transfer to income statements on disposal		-	-	(306,494)	-	-	-	(306,494)
- Changes in expected credit losses and exchange differences		-	-	5,224	-	-	-	5,224
Income tax relating to components of other comprehensive income	14,46	-	-	(126,092)	-	-	-	(126,092)
Other comprehensive income/(loss), net of tax, for the financial year		-	-	461,609	(84,859)	-	-	376,750
Total comprehensive income/(loss) for the financial year		-	-	461,609	(84,859)	-	2,769,246	3,145,996
Dividends paid	47	-	-	-	-	-	(1,874,944)	(1,874,944)
Shares issued pursuant to SGS	33	13,842	-	-	-	(13,842)	-	-
Share-based payment expenses		-	-	-	-	15,243	-	15,243
Transfer from regulatory reserves		-	(22,685)	-	-	-	22,685	-
Balance as at 31 December 2025		8,701,097	1,015,482	647,514	349,201	36,989	15,547,208	26,297,491

The accompanying accounting policies and notes form an integral part of these financial statements.

	Note	Non-distributable				Distributable		Total Equity RM'000
		Share Capital RM'000	Regulatory Reserves RM'000	FVOCI Reserves RM'000	Translation Reserves RM'000	Share-Based Payment Reserves RM'000	Retained Profits RM'000	
Bank								
Balance as at 1 January 2024		8,330,324	942,797	104,109	523,823	17,105	14,163,001	24,081,159
Net profit for the financial year		-	-	-	-	-	2,288,100	2,288,100
Foreign currency translation reserves:								
- Currency translation differences		-	-	-	(89,763)	-	-	(89,763)
Financial assets measured at FVOCI:								
- Equity instruments								
- Unrealised net gain on revaluation		-	-	52,936	-	-	-	52,936
- Debt instruments								
- Unrealised net gain on revaluation		-	-	265,942	-	-	-	265,942
- Net transfer to income statements on disposal		-	-	(221,458)	-	-	-	(221,458)
- Changes in expected credit losses and exchange differences		-	-	(4,948)	-	-	-	(4,948)
Income tax relating to components of other comprehensive income	14,46	-	-	(10,676)	-	-	-	(10,676)
Other comprehensive (loss)/income, net of tax, for the financial year		-	-	81,796	(89,763)	-	-	(7,967)
Total comprehensive income/(loss) for the financial year		-	-	81,796	(89,763)	-	2,288,100	2,280,133
Dividends paid	47	-	-	-	-	-	(1,725,510)	(1,725,510)
Shares issued pursuant to DRP	33	356,931	-	-	-	-	-	356,931
Share-based payment expenses		-	-	-	-	18,483	-	18,483
Transfer to regulatory reserves		-	95,370	-	-	-	(95,370)	-
Balance as at 31 December 2024		8,687,255	1,038,167	185,905	434,060	35,588	14,630,221	25,011,196

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Note	Group	
		2025 RM'000	2024 RM'000
Cash flows from operating activities			
Profit before taxation and zakat		4,378,483	4,020,146
Adjustments for:			
Allowance for credit losses on loans, advances and financing		731,505	898,779
Allowance for credit losses on foreclosed properties		4,912	13,962
Allowance charge/(written back) for credit losses on other financial assets		10,586	(182)
Property, plant and equipment:			
- Depreciation	18	139,264	151,299
- Gain on disposal	38	(486)	(2,996)
- Written off		291	144
- Impairment losses	43	-	148
Intangible assets:			
- Amortisation	20	196,438	188,666
- Written off	40	327	721
- Impairment losses	43	-	1,640
Right-of-use assets:			
- Depreciation	17	66,100	70,119
- Gain on modification		(113)	(1,059)
Share-based payment expenses		15,620	18,492
Net allowance written back on financial assets at FVOCI and financial investments at amortised cost		(123,520)	(3,428)
Net gain arising from disposal/redemption of financial assets at FVTPL, financial assets at FVOCI and financial investments at amortised cost		(459,753)	(315,979)
Net loss on fair value hedges		2,079	3,281
Net gain on derecognition of hedging		(141)	(4,711)
Net unrealised gain on revaluation of financial assets at FVTPL and derivatives		(162,724)	(462,533)
Net unrealised foreign exchange gain		(249,276)	(44,093)
Dividend income from financial assets at FVTPL and financial assets at FVOCI	38	(80,284)	(63,076)
Gain on disposal of subsidiaries	38	(11,427)	(85,190)
(Gain)/Loss on liquidation of subsidiaries	38	(25,290)	150
Share of results of associates		27,659	26,192
Interest/financing expense on borrowings, senior debt securities, subordinated obligations and lease liabilities		492,559	451,316
Interest income from financial assets at FVTPL, financial assets at FVOCI and financial investments at amortised cost		(2,560,044)	(2,503,804)
Investment income from financial assets at FVTPL, financial assets at FVOCI and financial investments at amortised cost		(716,948)	(628,050)
Operating profit before working capital changes		1,675,817	1,729,954
(Increase)/Decrease in operating assets:			
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than one month		874,734	(810,502)
Securities purchased under resale agreements		24,881	(59,355)
Financial assets at FVTPL		203,658	(1,660,483)
Loans, advances and financing		(15,175,117)	(16,487,070)
Clients' and brokers' balances		17,093	390,161
Other assets		407,994	(1,120,356)
Statutory deposits		1,507,667	73,276
		(12,139,090)	(19,674,329)

The accompanying accounting policies and notes form an integral part of these financial statements.

	Note	Group	
		2025 RM'000	2024 RM'000
Cash flows from operating activities (continued)			
Increase/(Decrease) in operating liabilities:			
Deposits from customers		4,816,471	4,575,653
Deposits and placements of banks and other financial institutions		4,223,109	10,179,371
Obligations on securities sold under repurchase agreements		(5,928,336)	4,438,281
Investment accounts		(683,631)	751,030
Bills and acceptances payable		24,764	(552,249)
Clients' and brokers' balances		7,106	(403,827)
Other liabilities		3,418,466	3,100,498
Recourse obligation on loans sold to Cagamas		668,033	(2,227,669)
		6,545,982	19,861,088
Cash (used in)/generated from operations			
Interest paid		(3,917,291)	1,916,713
Zakat paid		(527,602)	(377,605)
Tax paid		(12,000)	(10,000)
		(1,310,217)	(847,217)
Net cash (used in)/generated from operating activities		(5,767,110)	681,891
Cash flows from investing activities			
Net purchase of financial assets at FVOCI and financial investments at amortised cost		(2,302,918)	(5,208,878)
Property, plant and equipment:			
– Purchase	18	(129,482)	(134,494)
– Proceeds from disposal		771	5,184
Intangible assets:			
– Purchase	20	(174,433)	(207,366)
Financial assets at FVOCI and financial investments at amortised cost:			
– Interest income received		2,402,688	2,226,984
– Investment income received		657,418	508,334
Dividend income received from financial assets at FVTPL and financial assets at FVOCI		80,284	63,076
Net cash inflow from disposal of subsidiaries		6,688	193,993
Redemption/(Acquisition) of equity interest in associates		19,783	(8,877)
Capital injection in associates		(36,990)	(36,800)
Net cash generated from/(used in) investing activities		523,809	(2,598,844)
Cash flows from financing activities			
Drawdown of borrowings		3,957,821	1,313,313
Repayment of borrowings		(1,170,418)	(870,281)
Proceeds from issuance of subordinated notes/sukuk		1,000,000	500,000
Proceeds from issuance of senior debt securities		950,000	1,030,654
Redemption of subordinated notes/sukuk		(1,000,000)	(500,000)
Redemption of senior debt securities		(300,000)	(1,378,970)
Dividends paid to equity holders of the Bank		(1,874,944)	(1,368,579)
Dividends paid to NCI		(530)	(1,060)
Principal lease payments		(70,654)	(75,953)
Net cash generated from/(used in) financing activities		1,491,275	(1,350,876)

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Note	Group	
		2025 RM'000	2024 RM'000
Net decrease in cash and cash equivalents		(3,752,026)	(3,267,829)
Effects of exchange rate differences		(450,843)	(138,801)
Cash and cash equivalents:			
- at the beginning of the financial year		10,738,784	14,145,414
- at the end of the financial year		6,535,915	10,738,784
Cash and cash equivalents comprise the following:			
- Cash and short-term funds	2	6,647,983	11,551,647
- Deposits and placements with banks and other financial institutions	3	548,947	811,180
		7,196,930	12,362,827
Less:			
- Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than one month		(661,015)	(1,624,043)
		6,535,915	10,738,784

	← Cash Changes →				← Non-Cash Changes →			Balance as at the end of the financial year RM'000
	Balance as at the beginning of the financial year RM'000	Net cash flow from financing activities RM'000	Net cash flow from operating activities RM'000	Foreign exchange movement/ other income RM'000	Net additions to lease liabilities RM'000	Disposal of subsidiaries RM'000	Accrued interest and amortisation and fair value changes RM'000	
Group 2025								
Lease liabilities	150,916	(70,654)	(14)	(6,772)	42,996	-	5,834	122,306
Borrowings	2,622,507	2,787,403	(168,165)	(224,116)	-	-	126,782	5,144,411
Senior debt securities	6,573,859	650,000	(228,040)	(211,532)	-	-	235,666	7,019,953
Subordinated obligations	3,380,268	-	(131,383)	(270)	-	-	133,257	3,381,872
	12,727,550	3,366,749	(527,602)	(442,690)	42,996	-	501,539	15,668,542
2024								
Lease liabilities	151,417	(75,953)	-	(3,113)	74,463	(1,516)	5,618	150,916
Borrowings	2,261,224	443,032	(43,158)	(78,024)	-	(80,041)	119,474	2,622,507
Senior debt securities	7,018,453	(348,316)	(206,187)	(84,950)	-	-	194,859	6,573,859
Subordinated obligations	3,377,163	-	(128,260)	-	-	-	131,365	3,380,268
	12,808,257	18,763	(377,605)	(166,087)	74,463	(81,557)	451,316	12,727,550

The accompanying accounting policies and notes form an integral part of these financial statements.

	Note	Bank	
		2025 RM'000	2024 RM'000
Cash flows from operating activities			
Profit before taxation		3,465,920	2,887,585
Adjustments for:			
Allowance for credit losses on loans, advances and financing		498,768	577,292
Allowance for credit losses on foreclosed properties		4,912	13,962
Allowance (written back)/made for credit losses on other financial assets		(3,260)	940
Impairment losses on investment in subsidiaries	43	19,420	98,000
Property, plant and equipment:			
- Depreciation	40	121,046	127,975
- Gain on disposal	38	(366)	(2,693)
- Written off	40	103	28
Intangible assets:			
- Amortisation	40	168,829	160,324
Right-of-use assets:			
- Depreciation	40	57,493	55,148
- (Gain)/Loss on modification	38	(18)	5
Share-based payment expenses	40	12,211	13,381
Net allowance written back on financial assets at FVOCI and financial investments at amortised cost		(124,027)	(4,207)
Net gain arising from disposal/redemption of financial assets at FVTPL, financial assets at FVOCI and financial investments at amortised cost		(399,742)	(249,830)
Net loss on fair value hedges	38	2,212	4,061
Net gain on derecognition of hedging	38	(141)	(4,243)
Net unrealised gain on revaluation of financial assets at FVTPL and derivatives		(105,378)	(200,460)
Net unrealised foreign exchange gain		(124,836)	(19,946)
Gain on liquidation of subsidiaries	38	-	(52,405)
Dividend income from financial assets at FVOCI	38	(5,814)	(5,593)
Dividend income from subsidiaries	38	(615,554)	(437,660)
Interest expense on borrowings, senior debt securities, subordinated obligations and lease liabilities		413,667	356,341
Interest income from financial assets at FVTPL, financial assets at FVOCI and financial investments at amortised cost		(2,484,402)	(2,425,865)
Operating profit before working capital changes		901,043	892,140
(Increase)/Decrease in operating assets:			
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than one month		671,338	(2,921,846)
Securities purchased under resale agreements		100,213	269,372
Investment accounts due from designated financial institutions		(2,775,801)	1,617,955
Financial assets at FVTPL		672,854	(1,654,803)
Loans, advances and financing		(5,681,128)	(11,505,105)
Other assets		701,216	(134,253)
Statutory deposits		728,361	41,183
		(5,582,947)	(14,287,497)

The accompanying accounting policies and notes form an integral part of these financial statements.

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Note	Bank	
		2025 RM'000	2024 RM'000
Cash flows from operating activities (continued)			
(Decrease)/Increase in operating liabilities:			
Deposits from customers		(1,923,013)	8,502,343
Deposits and placements of banks and other financial institutions		4,077,687	1,856,988
Obligations on securities sold under repurchase agreements		(4,661,748)	5,889,674
Bills and acceptances payable		25,263	(508,584)
Other liabilities		2,005,213	1,913,164
Recourse obligation on loans sold to Cagamas		(900,024)	(1,820,262)
		(1,376,622)	15,833,323
Cash (used in)/generated from operations		(6,058,526)	2,437,966
Interest paid		(450,445)	(368,280)
Tax paid		(839,309)	(579,621)
Net cash (used in)/generated from operating activities		(7,348,280)	1,490,065
Cash flows from investing activities			
Net purchase of financial assets at FVOCI and financial investments at amortised cost		(1,204,573)	(2,972,483)
Property, plant and equipment:			
– Purchase	18	(117,048)	(117,899)
– Proceeds from disposal		647	4,238
Intangible assets:			
– Purchase	20	(158,969)	(194,449)
Interest received from financial assets at FVOCI and financial investments at amortised cost		2,320,658	2,195,950
Dividend income received from subsidiaries		616,863	438,784
Dividend income received from financial assets at FVOCI		5,814	5,593
Proceeds received from liquidation of subsidiaries		-	63,841
Capital injection in an associate		(34,000)	(36,800)
Capital injection in subsidiaries		(128,458)	(119,875)
Net cash generated from/(used in) investing activities		1,300,934	(733,100)
Cash flows from financing activities			
Drawdown of borrowings		3,032,331	1,313,313
Repayment of borrowings		(423,483)	(827,483)
Proceeds from issuance of subordinated notes		1,000,000	-
Proceeds from issuance of senior debt securities		950,000	1,030,654
Redemption of subordinated notes		(1,000,000)	-
Redemption of senior debt securities		(300,000)	(1,378,970)
Dividends paid to equity holders of the Bank		(1,874,944)	(1,368,579)
Principal lease payments		(58,623)	(58,169)
Net cash generated from/(used in) financing activities		1,325,281	(1,289,234)

The accompanying accounting policies and notes form an integral part of these financial statements.

	Note	Bank	
		2025 RM'000	2024 RM'000
Net decrease in cash and cash equivalents		(4,722,065)	(532,269)
Effects of exchange rate differences		(229,197)	(175,966)
Cash and cash equivalents:			
– at the beginning of the financial year		9,598,338	10,306,573
– at the end of the financial year		4,647,076	9,598,338
Cash and cash equivalents comprise the following:			
– Cash and short-term funds	2	7,018,100	13,222,186
– Deposits and placements with banks and other financial institutions	3	8,549,203	8,037,443
		15,567,303	21,259,629
Less:			
– Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than one month		(10,920,227)	(11,661,291)
		4,647,076	9,598,338

	← Cash Changes →			← Non-Cash Changes →			Balance as at the end of the financial year RM'000
	Balance as at the beginning of the financial year RM'000	Net cash flow from financing activities RM'000	Net cash flow from operating activities RM'000	Foreign exchange movement RM'000	Net additions to lease liabilities RM'000	Accrued interest and amortisation and fair value changes RM'000	
Bank 2025							
Lease liabilities	81,823	(58,623)	–	(1,489)	63,460	2,883	88,054
Borrowings	1,764,270	2,608,848	(125,734)	(144,546)	–	85,494	4,188,332
Senior debt securities	6,573,859	650,000	(228,040)	(211,532)	–	235,666	7,019,953
Subordinated obligations	2,522,031	–	(96,671)	(270)	–	95,419	2,520,509
	10,941,983	3,200,225	(450,445)	(357,837)	63,460	419,462	13,816,848
2024							
Lease liabilities	89,982	(58,169)	–	(1,705)	48,939	2,776	81,823
Borrowings	1,337,921	485,830	(66,734)	(55,756)	–	63,009	1,764,270
Senior debt securities	7,018,453	(348,316)	(206,187)	(84,950)	–	194,859	6,573,859
Subordinated obligations	2,521,693	–	(95,359)	–	–	95,697	2,522,031
	10,968,049	79,345	(368,280)	(142,411)	48,939	356,341	10,941,983

The accompanying accounting policies and notes form an integral part of these financial statements.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. These accounting policies have been consistently applied to all the financial years presented, unless otherwise stated.

(1) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Bank have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards ('IFRS') and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVOCI, financial assets and financial liabilities (including derivative financial instruments) at FVTPL.

The financial statements also incorporate those activities relating to Islamic banking which have been undertaken by the Group and the Bank. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under the Shariah principles.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group and the Bank's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Section (B).

- (a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank and are effective

The relevant new accounting standards, annual improvements and amendments to published standards and interpretations to existing accounting standards that are effective for the Group and the Bank's financial year beginning on or after 1 January 2025 are as follows:

- (i) Amendments to MFRS 121 'Lack of Exchangeability'

The amendments clarify that a currency is exchangeable when an entity is able to exchange it into another currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, then the currency is not exchangeable. In such cases, the entity is required to estimate the spot exchange rate at the measurement date.

The amendments do not specify how an entity estimates the spot exchange rate, but permit an entity to use observable exchange rate without adjustment or another estimation technique, provided it could meet the objective for estimating the spot exchange rate set out in the amendments.

The adoption of the above accounting standards, annual improvements and amendments do not give rise to any material financial impact to the Group and the Bank.

- (b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective

- (i) Amendments to the Classification and Measurement of Financial Instruments - Amendments to MFRS 9 and MFRS 7 - effective 1 January 2026

The amendments include the following:

- Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- 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 FVOCI.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(1) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(b) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective (continued)

(ii) Amendments to MFRS 9 and MFRS 7 'Contract Referencing Nature-dependent Electricity' – effective 1 January 2026

The amendments have added the buyer's application guidance on the MFRS 9 'own-use exemption' for contracts to buy and take delivery of electricity that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions e.g. the weather ('contracts referencing nature-dependent electricity'). Under the amendments, the buyer can apply the MFRS 9 'own-use exemption' to account for these contracts as executory contracts if the buyer has been, and expects to be, a 'net purchaser' of electricity for the contract period, based on the criteria set in the standard.

The amendments also permit hedge accounting in MFRS 9 if these contracts referencing nature-dependent electricity are used as hedging instruments.

New MFRS 7 disclosure requirements have been introduced to enable users to understand the effects of these contracts on an entity's financial performance and cash flows.

(iii) Annual Improvements to MFRS Accounting Standards – Volume 11 – effective 1 January 2026

The Annual Improvements to MFRS Accounting Standards – Volume 11 include minor amendments affecting the following 5 MFRSs:

- Hedge accounting by a first-time adopter (Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards)
- Gain or loss on derecognition (Amendments to MFRS 7 Financial Instruments: Disclosures)
- Lessee derecognition of lease liabilities and transaction price (Amendments to MFRS 9 Financial Instruments)
- Determination of a "de facto agent" (Amendments to MFRS 10 Consolidated Financial Statements)
- Cost method (Amendments to MFRS 107 Statement of Cash Flows)

Wording in certain paragraphs of these standards has been amended to improve consistency with other relevant standards and cross references to other standards, where applicable, have been added to enhance the understandability of these standards.

(iv) MFRS 18 'Presentation and Disclosure in Financial Statements' – effective 1 January 2027

This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in MFRS 18 relate to:

- The structure of the statement of profit or loss with defined subtotals;
- Requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- Required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

(v) MFRS 19 'Subsidiaries without Public Accountability: Disclosures' – effective 1 January 2027

This new standard works alongside other MFRS Accounting Standards. An eligible subsidiary applies the requirements in other MFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in MFRS 19. MFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. MFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with MFRS Accounting Standards.

The adoption of the accounting standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective above are not expected to give rise to any material financial impact to the Group and the Bank, except for the adoption of MFRS 18 and MFRS 9 amendments, of which there will be further enhanced disclosures going forward. The Group and the Bank are in the process of reviewing the financial impact arising from the requirements of these standards and expect the process to be completed prior to the effective date.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(2) BASIS OF CONSOLIDATION

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

(i) Acquisition accounting

The Group applies the acquisition method to account for business combination. The consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Non-controlling interest is the equity in a subsidiary not attributable, directly or indirectly, to the Group or the Bank. Non-controlling interest is measured either at fair value or proportionate share of the acquiree's identifiable net assets at the acquisition date, determined on a case by case basis. At the end of a reporting period, non-controlling interest consists of the amount calculated on the date of combination and its share of changes in the subsidiary's equity since the date of combination.

Acquisition-related costs are expensed as incurred.

In a business combination achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition date fair value and the resulting gain or loss is recognised in income statements.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in income statements. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired, the gain is recognised in income statements. Refer to accounting policy Note 7 on goodwill.

The Group and the Bank apply predecessor accounting to account for business combinations under common control. Under the predecessor accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to retained profits. No additional goodwill is recognised.

The acquired entity's results, assets and liabilities are consolidated as if both the acquirer and acquiree had always been combined. Consequently, the consolidated financial statements reflect both entities' full year results. The corresponding amounts for the previous year are restated to reflect the combined results of both entities.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interest, even if the attribution of losses to the non-controlling interest results in a debit balance in the shareholders' equity. Profit or loss attributed to non-controlling interest for prior years is not restated.

All material inter-company and intra-group transactions and balances are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(2) BASIS OF CONSOLIDATION (CONTINUED)

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity attributable to owners of the Group.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in income statements. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to income statements.

Gain or loss on disposal of subsidiaries included the carrying amount of goodwill relating to subsidiaries sold.

(d) Joint ventures

A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. The Group's interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses in income statements and the Group's share of movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in income statements. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to income statements.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to income statements where appropriate.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(2) BASIS OF CONSOLIDATION (CONTINUED)

(e) Associates

Associates are those corporations or other entities in which the Group exercises significant influence, but which it does not control or jointly control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policies through representation on the Board but not power to exercise control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising the Group's share of its associates' post-acquisition profits or losses in income statements, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition changes are adjusted against the cost of investment and include goodwill on acquisition, less accumulated impairment loss.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group discontinues recognising its shares of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Dilution gains and losses arising in investments in associates are recognised in the income statements.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method of accounting, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

(f) Puttable financial instruments

Financial liabilities due to third party investors relate to the net asset value of units (puttable financial instruments) held by the third party investors of investment funds, and measured at fair value as at year end. This arises in accordance with MFRS 10 where the financial statements of investment funds is required to be consolidated to the financial statements of the Group and recorded as a financial liability in Note 26 to the financial statements.

(3) INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

In the Bank's separate financial statements, investments in subsidiaries and associates are stated at cost less accumulated impairment losses. At the end of each reporting period, the Group and the Bank assess whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer to accounting policy Note 23 on impairment of non-financial assets.

On disposal of investments in subsidiaries and associates, the difference between disposal proceeds and the carrying amount of the investments is recognised in income statements.

(4) FINANCIAL ASSETS

(a) Classification

The Group and the Bank classify their financial assets into the following measurement categories:

- Those to be measured at fair value either through other comprehensive income ('OCI'), or through profit or loss; and
- Those to be measured at amortised cost.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(4) FINANCIAL ASSETS (CONTINUED)

(a) Classification (continued)

The classification of debt instruments depends on the Group and the Bank's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets:

(i) Business model assessment

The Group and the Bank conduct assessment of the objective of a business model to align with how an asset held within a portfolio is being managed. Factors that are being considered include the key objectives of a portfolio whether the business strategy is to earn contractual interest revenue, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising a portfolio through sale of assets. Other factors considered also include the frequency and volume of sales in prior periods, how the asset's performance is evaluated and reported to key management personnel.

(ii) Assessment whether contractual cash flows are solely payments of principal and interest ('SPPI')

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Group and the Bank assess whether the financial assets' contractual cash flows represent SPPI. In applying the SPPI test, the Group and the Bank consider whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

(b) Recognition

Financial assets are recognised when the Group and the Bank become parties to the contractual provisions of the instrument.

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group and the Bank commit to purchase and sell the assets.

(c) Measurement

At initial recognition, the Group and the Bank measure a financial asset at fair value plus transaction costs that are directly attributable to acquisition of the financial asset in the case of a financial asset not FVTPL. Transaction costs of financial assets carried at FVTPL are expensed in the income statements.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

(i) Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds and trade receivables purchased from clients in factoring arrangements without recourse.

Subsequent measurement of debt instruments depends on the Group's and the Bank's business model for managing the financial asset and the cash flow characteristics of the financial asset. There are three measurement categories into which the Group and the Bank classify its debt instruments:

(1) Financial investments at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated as FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted for any expected credit losses that are recognised in income statements. The interest income is recognised in income statements using the effective interest rate method. Upon derecognition, any gain or loss will be recognised in income statements and presented under 'other operating income'.

(2) Financial assets at FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at FVOCI. Changes in the fair value of these assets are recognised in OCI, except for recognition of interest, foreign exchange gains or losses and expected credit losses which are recognised in income statements.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(4) FINANCIAL ASSETS (CONTINUED)

(c) Measurement (continued)

(i) Debt instruments (continued)

(2) Financial assets at FVOCI (continued)

When these financial assets are derecognised, the cumulative gains or losses previously recognised in OCI is reclassified from equity to income statements and recognised in 'other operating income'. The interest income is recognised into income statements using the effective interest rate method. Foreign exchange gains or losses are recognised in 'other operating income' and impairment credit losses are presented separately under 'allowance for credit losses'.

(3) Financial assets at FVTPL

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in income statements within 'net gain/(loss) arising from financial assets at FVTPL' in the period in which it arises. The interest income is recognised in income statements using the effective interest rate method.

(ii) Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuers' perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuers' net assets.

The Group and the Bank subsequently measure all equity instruments at FVTPL, except where the Management has elected, at initial recognition, to irrevocably designate an equity instrument as FVOCI. The Group and the Bank's policy is to designate equity instruments as FVOCI when those instruments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to income statements, including on disposal. Dividend, when representing a return on such investments, continue to be recognised in income statements as dividend income when the Group and the Bank's right to receive payments is established.

Gains and losses on equity instruments at FVTPL are included in the 'net gain/(loss) arising from financial assets at FVTPL' in the income statements.

(iii) Purchased or originated credit-impaired ('POCI') financial assets

POCI financial assets are those recognised as credit-impaired at the date of initial recognition. Such assets are initially recognised at fair value, with a credit-adjusted effective interest rate applied to subsequent measurements.

No expected credit loss ('ECL') is recognised on initial recognition. Thereafter, changes in expected credit losses are recognised in profit or loss as impairment gains or losses. POCI assets are always measured on a lifetime ECL basis and do not migrate between impairment stages.

(d) Derecognition and modification

(i) Derecognition due to modification of terms and conditions

The Group and the Bank sometimes renegotiate or otherwise modify the contractual cash flows of loans to customers. When this happens, the Group and the Bank assess whether or not the new terms are substantially different to the original terms. The Group and the Bank do this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Whether any substantial new terms are introduced, such as a profit share or equity-based return that substantially affects the risk profile of the loan;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency the loan is denominated in; and
- Insertion of collaterals, other securities or credit enhancements that significantly affect the credit risk associated with the loan.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(4) FINANCIAL ASSETS (CONTINUED)

(d) Derecognition and modification (continued)

(i) Derecognition due to modification of terms and conditions (continued)

If the terms are substantially different, the Group and the Bank derecognise the original financial assets and recognise a 'new' asset at fair value and recalculate a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group and the Bank also assess whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in income statements as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition. The Group and the Bank recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognise a modification gain or loss in income statements. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

(ii) Derecognition other than modification of terms and conditions

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the financial assets have expired, or when they have been transferred and either (i) the Group and the Bank transferred substantially all the risks and rewards of ownership, or (ii) the Group and the Bank neither transfer nor retain substantially all the risks and rewards of ownership and the Group and the Bank have not retained control.

Collateral furnished by the Group and the Bank under repurchase agreements are not derecognised as the Group and the Bank retain substantially all risks and rewards on the basis of the pre-determined repurchase price, and hence the criteria for derecognition are not met.

(e) Reclassification of financial assets

Reclassification of financial assets is required when, and only when, the Group and the Bank change their business model for managing the assets. In such cases, the Group and the Bank are required to reclassify all affected financial assets.

However, it will be inappropriate to reclassify financial assets that have been designated at FVTPL, or equity instruments that have been designated as FVOCI even when there is a change in business model. Such designations are irrevocable.

(5) REPURCHASE AGREEMENTS

Securities purchased under resale agreements are securities which the Group and the Bank have purchased with a commitment to resell at future dates. The commitment to resell the securities is reflected as an asset on the statements of financial position.

Conversely, obligations on securities sold under repurchase agreements are securities which the Group and the Bank have sold from its portfolio, with a commitment to repurchase at future dates. Such financing and the obligation to repurchase the securities is reflected as a liability on the statements of financial position.

The difference between sale and repurchase price as well as purchase and resale price are amortised as interest income and interest expense respectively on an effective yield method.

(6) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Derivatives are initially recognised at fair value on the date on which derivative contracts are entered into and are subsequently remeasured at their fair values at the end of each reporting period. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair values are positive and as liabilities when fair values are negative. Changes in the fair value of any derivatives that do not qualify for hedge accounting are recognised immediately in the income statements. Cash collateral held in relation to derivative transactions are carried at amortised cost.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group and the Bank recognise profits on day one.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(6) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (CONTINUED)

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated and qualified as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Bank designate certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge); or (2) hedges of a net investment in a foreign operation (net investment hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group and the Bank document at the inception of the hedging transaction, the risk management objective and strategy and the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The Group and the Bank have applied the following Phase 1 reliefs provided by the Amendments to MFRS 9 and MFRS 7 'Interest Rate Benchmark Reform' for the hedging instruments used in the Group's and the Bank's hedging strategies which reference Interbank Offered Rate ('IBOR') and have not yet transitioned to an alternative benchmark rate:

- When considering the 'highly probable' requirement, the Group and the Bank have assumed that the IBOR interest rate on which the Group and the Bank's hedged borrowings is based does not change as a result of IBOR reform.
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group and the Bank have assumed that the IBOR interest rate on which the cash flows of the hedged borrowings and the interest rate swap that hedges are based is not altered by IBOR reform.
- The Group and the Bank have not recycled the cash flow hedge reserve for designated hedges that are subject to the IBOR reform.

The Group and the Bank cease to apply the reliefs provided by the Phase 1 amendments at the earlier of (a) when there is no longer uncertainty arising from IBOR reform over the timing and amount of the IBOR-linked cash flows of the hedged item, and (b) when the hedging relationship to which the reliefs are applied is discontinued.

The Group and the Bank have applied the following reliefs provided by the Amendments to MFRS 9 and MFRS 7 'Interest Rate Benchmark Reform - Phase 2':

- Hedge designation: When the Phase 1 amendments cease to apply, the Group and the Bank will amend its hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of the following changes:
 - (a) Designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk;
 - (b) Amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
 - (c) Amending the description of the hedging instrument.

The Group and the Bank amend its hedge documentation to reflect this change in designation by the end of the reporting period in which the changes are made. These amendments to the hedge documentation do not require the Group and the Bank to discontinue its hedge relationships.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 12 to the financial statements.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in the income statements, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

The Group and the Bank apply fair value hedge accounting for hedging fixed interest risk on loans, advances and financing, financial assets at FVOCI, financial investments at amortised cost, recourse obligation on loans sold to Cagamas, senior debt securities and subordinated obligations. The gain or loss relating to the effective portion of interest rate swaps hedging on loans, advances and financing, financial investments at amortised cost, recourse obligation on loans sold to Cagamas, senior debt securities and subordinated obligations is recognised in income statements within other operating income. The gain or loss relating to the ineffective portion is recognised in income statements within net gain or loss on fair value hedges.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(6) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING (CONTINUED)

(a) Fair value hedge (continued)

For fair value hedge of financial assets designated as FVOCI, any changes in fair value of the hedged financial assets at FVOCI are recycled from FVOCI reserves to income statements, while the changes in fair value of the derivatives that is related to the effective portion of the hedge is recognised in income statements within other operating income. The ineffective portion of the aforesaid hedging derivatives is recognised in income statements with net gain or loss on fair value changes of derivatives.

For financial instruments measured at amortised cost, if the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statements over the period to maturity and recorded as other operating income. Effective interest rate amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statements.

(b) Net investment hedge

Net investment hedge is a hedge against the exposure to exchange rate fluctuations on the net assets of the Group's foreign operations/subsidiaries. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in the foreign currency translation reserve in equity via other comprehensive income while any gain or loss relating to the ineffective portion is recognised directly in the income statements. On disposal of the foreign operations/subsidiaries, the cumulative value of any such gains or losses recognised in equity is transferred to the income statements.

(c) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statements.

(7) GOODWILL

Goodwill arising on the acquisition of subsidiaries represents the excess of consideration transferred over the Group's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of non-controlling interest in the acquiree.

Goodwill is stated at cost less accumulated impairment loss and is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Impairment loss on goodwill (inclusive of impairment losses recognised in a previous interim period) is not reversed. Gains and losses on the disposal of a subsidiary include the carrying amount of goodwill relating to the subsidiary sold. Refer to accounting policy Note 23 on impairment of non-financial assets.

Goodwill is allocated to Cash-Generating-Units ('CGU') for the purpose of impairment testing. The allocation is made to those CGU or groups of CGU that are expected to benefit from the synergies of the business combination in which the goodwill arose, identified according to operating segment. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

(8) INTANGIBLE ASSETS

Intangible assets comprise separately identifiable intangible items arising from business combinations, computer software licenses and other intangible assets. Intangible assets are recognised at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life. Intangible assets with an indefinite useful life are not amortised. Generally, the identified intangible assets of the Group and the Bank have a definite useful life. At each date of the statements of financial position, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. Intangible assets with indefinite useful life are annually tested for impairment and whenever there is an indication that the asset may be impaired. Refer to accounting policy Note 23 on impairment of non-financial assets.

(a) Computer software licenses

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software licenses are subsequently carried at cost less accumulated amortisation and impairment losses. These costs are amortised over the estimated useful lives of 3 to 10 years.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(8) INTANGIBLE ASSETS (CONTINUED)

(b) Other intangible assets

Other intangible assets consist of customer relationship, trading rights and membership. Other intangible assets are initially recognised when they are separable or arose from contractual or other legal rights, and when the cost can be measured reliably and, in the case of intangible assets not acquired in a business combination, it is recognised where it is probable that future economic benefits attributable to the assets will flow from their use. The value of intangible assets which are acquired in a business combination is generally determined using income approach methodologies such as the discounted cash flow method.

Other intangible assets with definite life are stated at cost less amortisation and allowance for impairment, if any, plus reversals of impairment, if any. They are amortised over their useful lives in a manner that reflects the pattern to which they contribute to future cash flows.

(9) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised as expense in income statements during the financial period in which they are incurred.

Freehold land and renovations and improvements in progress are not depreciated. Other property, plant and equipment are depreciated on a straight-line basis to write down their costs to their residual values over their estimated useful lives. The principal annual depreciation rates are as follows:

Leasehold land	Amortised over the period of the lease*
Buildings	2% to 3.33%
Renovations and improvements	10% to 11%
Computer equipment	14.28% to 33.33%
Furniture, fittings and equipment	10% to 20%
Motor vehicles	20%

* As at 31 December 2025, the remaining period of the lease ranges from 45 to 858 years.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. There are no material adjustments arising from the review that would require disclosure in the financial statements.

Leasehold land acquired prior to date of initial application of MFRS 16 'Leases' which is effective 1 January 2019, continues to be classified under property, plant and equipment.

Gains or losses on disposals are determined by comparing proceeds with carrying amounts and are included in other operating income in income statements.

At the end of the reporting period, the Group and the Bank assess whether there is any indication of impairment. Where an indication of impairment exists, the carrying amount of the asset is written down to its recoverable amount. Refer to accounting policy Note 23 on impairment of non-financial assets.

(10) FINANCIAL LIABILITIES

Financial liabilities are measured at amortised cost, except for trading liabilities designated at fair value, which are held at FVTPL. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at FVTPL. Financial liabilities at FVTPL are initially recognised at fair value, and transaction costs are expensed in income statements. Financial liabilities are derecognised when extinguished.

(a) Financial liabilities at FVTPL

This category comprises two sub-categories: financial liabilities as held-for-trading, and financial liabilities designated at FVTPL upon initial recognition.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(10) FINANCIAL LIABILITIES (CONTINUED)

(a) Financial liabilities at FVTPL (continued)

A financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorised as held-for-trading unless they are designated as hedges. Refer to accounting policy Note 6 on hedge accounting.

The financial liabilities measured at FVTPL upon initial recognition are trading derivatives and financial liabilities designated at fair value.

(b) Other financial liabilities measured at amortised cost

Other financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, other financial liabilities are remeasured at amortised cost using the effective interest rate.

Other financial liabilities measured at amortised cost are deposits from customers, deposits and placements of banks and other financial institutions, obligations on securities sold under repurchase agreements, investment accounts, bills and acceptances payable, clients' and brokers' balances, recourse obligation on loans sold to Cagamas, lease liabilities, insurance/reinsurance contract liabilities and other financial liabilities.

(c) Structured deposits

Derivatives embedded in financial liabilities and in non-financial host contracts are treated as separate derivatives and recorded at fair value if their economic characteristic and risk are not closely related at those of the host contract and the hybrid contract is not itself held for trading or designated at FVTPL. The embedded derivatives separated from the host are carried at fair value in the trading portfolio with changes in fair value recognised in the income statements.

(d) Borrowings measured at amortised cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between initial recognised amount and the redemption value is recognised in income statements over the period of the borrowings using the effective interest rate method.

All other borrowing costs are recognised in income statements in the period in which they are incurred.

Borrowings measured at amortised cost are long-term and short-term borrowings from financial institutions, subordinated obligations and senior debt securities.

(11) INVESTMENT ACCOUNT ('IA')

IA is defined by the application of Shariah contracts as investment with non-principal guaranteed feature. Under the Islamic Financial Services Act 2013, the priority payment for IA upon liquidation of Islamic Financial Institution ('IFI') is treated separately from Islamic deposit, in accordance with the rights and obligations accrued to the investment account holders. IA is further categorised to Restricted Investment Account ('RA') and Unrestricted Investment Account ('UA').

RA refers to a type of investment account where the Investment Account Holder ('IAH') provides a specific investment mandate to the IFI such as purpose, asset class, economic sector and period for investment while UA refers to a type of investment account where the IAH provides the IFI with the mandate to make the ultimate investment decision without specifying any particular restrictions or conditions.

IA are contracts based on the Shariah concept below:

- (a) Mudharabah between two parties, customer and its subsidiary, RHB Islamic Bank Berhad ('RHB Islamic Bank'), to finance a business venture where the customer provides capital and the business venture is managed solely by RHB Islamic Bank. The profit of the business venture will be shared based on pre-agreed ratios with RHB Islamic Bank as Mudharib (manager or manager of funds), and losses shall be borne solely by customers.
- (b) Wakalah Bi Al-Istithmar refers to a contract where a party (muwakkil) appoints another party as his agent (wakil) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of a fee. The fee shall be recognised based on agreement. Profit generated/losses incurred is based on net distributable income calculated. Net distributable income is derived after deducting Wakalah fee, direct expenses and provisions (if any). Losses (if any) will solely be borne by the investors unless such losses is due to RHB Islamic Bank's misconduct, negligence or breach of specified terms in the contract between the investors and RHB Islamic Bank.
- (c) Details of the IA are as disclosed in Note 24 to the financial statements.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(12) RECOURSE OBLIGATION ON LOANS SOLD TO CAGAMAS

In the normal course of banking operations, the Group and the Bank sell loans to Cagamas but undertake to administer the loans on behalf of Cagamas and to buy back any loans which are regarded as defective. Such financing transactions and the obligation to buy back the loans are reflected as a liability on the statements of financial position and accounted for in accordance with accounting policy Note 10(b).

(13) LEASES – WHERE THE GROUP AND THE BANK ARE THE LESSEE

The Group and the Bank recognise leases as right-of-use ('ROU') asset, with a corresponding liability at the date on which the leased asset is available for use (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Bank allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(a) Lease term

In determining the lease term, the Group and the Bank consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Bank reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Bank, and affects whether the Group and the Bank is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities (refer to (d) below).

(b) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Bank are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

(c) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Bank under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Bank are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Bank, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in income statements in the period in which the condition that triggers those payments occurs.

Interest expense on the lease liability is presented within the other interest expenses in the income statements.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(13) LEASES – WHERE THE GROUP AND THE BANK ARE THE LESSEE (CONTINUED)****(d) Reassessment of lease liabilities**

The Group and the Bank are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

(e) Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise information technology equipment and small items of office furniture. Payments associated with short-term leases of information technology and all leases of low-value assets are recognised on a straight-line basis as an expense in income statements.

(14) LEASES – WHERE THE GROUP AND THE BANK ARE THE LESSOR

As a lessor, the Group and the Bank determine at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group and the Bank make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group and the Bank consider certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Operating lease

When assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

(b) Finance lease

When assets are leased out under a finance lease, the present value of the lease payment is recognised as a receivable. The receivable is subject to MFRS 9 impairment (refer to accounting policy Note 22 on impairment of financial assets). The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the 'net investment' method so as to reflect a constant periodic rate of return.

(15) PROVISIONS

Provisions are recognised when the Group and the Bank have a present legal or constructive obligation, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of obligation can be made.

Where the Group and the Bank expect a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(a) Onerous contracts

The Group and the Bank recognise a provision for onerous contracts when the expected benefits to be derived from a contract are less than the unavoidable costs of meeting the obligations under the contract.

(b) Restructuring

Restructuring provisions mainly comprise lease termination penalties and employee termination payments and are recognised in the period in which the Group becomes legally or constructively committed to payment. Future operating costs are not provided for.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(16) FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts are contracts that require the Group or the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value.

The fair value of financial guarantee is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 'Financial Instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', where appropriate.

Where financial guarantees in relation to loans or payables of subsidiaries are provided by the Group and the Bank for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiaries.

(17) GOVERNMENT GRANTS

Financing under a government scheme is recognised and measured in accordance with MFRS 9 'Financial Instruments', with the benefit at below market rate, which is measured as the difference between the initial carrying amount or fair value of the financing and the amount received.

Financial contribution under a government scheme is measured in accordance with the amount received. The benefit of a financing under a government scheme or a financial contribution under a government scheme that addresses identified costs or expenses incurred by the Group and the Bank is recognised in the income statements in the same financial period when the costs or expenses are recognised, when the required conditions are fulfilled in accordance with MFRS 120 'Accounting for Government Grants and Disclosure of Government Assistance'.

(18) CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group and the Bank do not recognise contingent assets and liabilities other than those arising from business combinations, but disclose their existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or the Bank or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Bank. The Group and the Bank do not recognise contingent assets but disclose their existence where inflows of economic benefits are probable, but not virtually certain.

The Group and the Bank recognises separately the contingent liabilities of the acquiree as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions and the information about the contingent liabilities acquired are disclosed in the financial statements.

Subsequent to the initial recognition, the Group and the Bank measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provision of MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognised less when appropriate, cumulative amortisation recognised in accordance with MFRS 15 'Revenue from Contracts with Customers'.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(19) SHARE CAPITAL

(a) Classification

Ordinary shares are classified as equity. Other shares, if issued, are classified as equity and/or liability according to the economic substance of the particular instrument.

(b) Share issue cost

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(c) Dividend distribution

Distributions to holders of an equity instrument are debited directly to equity, and the corresponding liability is recognised in the period in which the shareholders' right to receive the dividends are established or the dividends are approved.

(20) CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of one month or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(21) REVENUE RECOGNITION

(a) Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts or payments throughout the expected life of the financial instrument or, when appropriate, a shorter period to its carrying amount. The calculation includes significant fees and transaction costs that are integral to the effective interest rate, as well as premiums or discounts. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial asset that subsequently becomes credit-impaired. For credit-impaired financial asset other than POCI, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). POCI assets are recorded at fair value at initial recognition and interest income is subsequently recognised based on a credit-adjusted effective interest rate.

(b) Fees and commissions are recognised as income on an accrual basis over a period of time when all conditions precedent are fulfilled. Commitment fees and guarantee fees for loans, advances and financing that are likely to be drawdown are deferred (together with related direct costs) and income which forms an integral part of the effective interest rate of a financial instrument is recognised as an adjustment to the effective interest rate of the financial instrument.

(c) Income from Islamic Banking business is recognised using effective profit method in accordance with the principles of Shariah.

(d) Brokerage commission is recognised when services are rendered. Interest income from margin financing, clients' overdue outstanding and contra losses are recognised using effective interest rate method.

(e) Revenue from general insurance business consists of insurance service results and insurance/reinsurance finance income or expenses.

(i) Insurance service results

Insurance service results include insurance revenue and insurance service expenses from insurance contracts issued, and net expense from reinsurance contracts held.

Insurance revenue is recognised based on the expected premium receipts and the passage of time over the coverage period of a group of contracts unless the release of risk differs significantly from the passage of time, in which case insurance revenue is recognised based on the release of risk.

Insurance service expenses arising from insurance contracts issued are recognised as they are incurred, and include losses on claims, other insurance service expenses, amortisation of insurance acquisition costs, losses and reversals of losses on onerous contracts.

Net expense from reinsurance contracts held comprises the cost of reinsurance less recoveries of insurance service expenses from reinsurers. The cost of reinsurance is recognised as services are received from the reinsurer over the coverage period. Recoveries of insurance service expenses from reinsurers are recognised as claims and other insurance service expenses are recovered, including any changes in expectations for these amounts, and recoveries and reversals of recoveries of the loss-recovery component.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(21) REVENUE RECOGNITION (CONTINUED)

- (e) Revenue from general insurance business consists of insurance service results and insurance/reinsurance finance income or expenses. (continued)
 - (ii) Insurance/reinsurance finance income or expenses

Insurance/reinsurance finance income and expenses comprise the changes in the carrying amounts of the insurance contracts issued and reinsurance contracts held arising from the effects of the time value of money, financial risk and changes therein.
- (f) Corporate advisory fees as part of transaction-based income, are recognised upon completion of the related transaction, reflecting the fulfilment of the performance obligation.
- (g) Management fees of the unit trust and asset management company are recognised based on point over time over the period of services. Sales value of trust units is recognised on the approval of a unit holder's application. Value from the cancellation of trust units is recognised upon approval of the trustee.
- (h) Dividends are recognised when the shareholders' right to receive payment is established. This applies even if they are paid out of the pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence. Dividend income received from subsidiaries, financial assets at FVTPL and FVOCI are recognised as other operating income in income statements.

Dividend that clearly represents a recovery of part of the cost of an investment is recognised in other comprehensive income if it relates to an investment in equity investment measured at FVOCI.
- (i) Income from bancassurance/bancatakaful agreements are recognised based on point over time over the exclusive services agreement period.

(22) IMPAIRMENT OF FINANCIAL ASSETS

Under MFRS 9, impairment model requires the recognition of expected credit loss ('ECL') for all financial assets, except for financial assets classified or designated as FVTPL and equity securities classified under FVOCI, which are not subject to impairment assessment. Off-balance sheet items that are subject to ECL include financial guarantees and undrawn loan commitments.

There are two approaches adopted by the Group and the Bank:

(1) General approach

ECL will be assessed using an approach which classifies financial assets into four stages which reflects the change in credit quality of the financial assets since initial recognition:

(i) Stage 1: 12 months ECL – not credit impaired

For credit exposures where there has not been a significant increase in credit risk since initial recognition or which has low credit risk at reporting date and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.

(ii) Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when 30 days past due.

(iii) Stage 3: Lifetime ECL – credit impaired

Financial assets are assessed as credit impaired when one or more objective evidence of defaults that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL will be recognised.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(22) IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)**(1) General approach (continued)

(iii) Stage 3: Lifetime ECL – credit impaired (continued)

Generally, all financial assets that are 90 days past due or more are classified under Stage 3. The Group and the Bank consider the following as constituting an event of default:

(1) Quantitative criteria

- The borrower is past due more than 90 days on any material credit obligation to the Group and the Bank; and/or
- Margin of financing shall be classified as impaired where the force selling ratio is triggered and after a period of time after force selling has commenced or where margin of finance exceeds a set threshold above the force selling ratio.

(2) Qualitative criteria

- Legal action has been initiated by the Group and the Bank for recovery purposes;
- Borrower is a bankrupt; and/or
- Borrower has been assigned to external collection agency.

(iv) POCI

POCI assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at initial recognition and interest income is subsequently recognised based on a credit-adjusted effective interest rate. ECLs are only recognised or released in profit or loss as impairment gains or losses to the extent that there is a subsequent change in the expected credit losses. POCI assets are always measured on a lifetime ECL basis and do not migrate between impairment stages.

Significant increase in credit risk ('SICR')

(1) The Group and the Bank consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Bank compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

(2) Among the indicators incorporated in ascertaining SICR are:

- Internal credit rating;
- External credit rating (as far as available);
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increase in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrower in the group and changes in the operating results of the borrower.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

The assessment of credit risk, as well as the estimation of ECL, are required to be unbiased, probability-weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. The measurement of ECL is based on the discounted products of the Probability of Default model ('PD'), Loss Given Default model ('LGD') and Exposure at Default model ('EAD'). Certain ECL models are leveraging on the existing Group and the Bank's Basel II Internal Ratings-Based ('IRB') model, where feasible or available, with necessary adjustment to meet MFRS 9 requirements. The changes in ECL between two-periods will be recognised in income statements.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(22) IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

(1) General approach (continued)

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-month ECL. Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group and the Bank's investment grade criteria, or which are less than 30 days past due, are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-month ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statements.

The Group and the Bank leverage on the model/segments/credit related factors implemented under the Basel II IRB framework where feasible or available, with calibration to meet MFRS 9 requirements. For portfolio without Basel model, other relevant historical information, loss experience or proxies will be utilised if deemed feasible.

In determining the ECL, Management will evaluate a range of possible outcomes, taking into account past events, current conditions/trends and economic outlooks. Additional consideration through structured management overlays have been considered and reflected to ensure adequacy of ECL. The structured management overlays are subject to robust review and governance process.

Generally, all financial assets are considered to have experienced a significant increase in credit risk if the exposures are more than 30 days past due on its contractual payments.

(2) Simplified approach

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime expected loss allowance for clients' and brokers' balances, fee and premium receivables and other assets. The expected loss allowance is based on provisional matrix.

(23) IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. The Group and the Bank also assess goodwill, intangible assets with indefinite useful life and other assets that are subject to amortisation for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the non-financial assets exceeds its recoverable amount.

The recoverable amount is the higher of a non-financial assets' fair value less costs to sell and value in use. For the purpose of assessing impairment, non-financial assets are grouped at the lowest levels for which there is separately identifiable cash flows or CGU. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

The impairment loss is charged to income statements. Impairment losses on goodwill are not reversed. In respect of other non-financial assets, any subsequent increase in recoverable amount is recognised in income statements.

(24) INSURANCE CONTRACT AND REINSURANCE CONTRACTS HELD

(a) Classification

Insurance contracts are those contracts that transfer significant insurance risk. An insurance contract is a contract under which the insurance subsidiary (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the insurance subsidiary determines whether it has significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

(b) Separating components from insurance and reinsurance contracts

The insurance subsidiary disaggregates the following components, if significant, from an insurance contract or reinsurance contract held and accounts them separately.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**(24) INSURANCE CONTRACT AND REINSURANCE CONTRACTS HELD (CONTINUED)****(b) Separating components from insurance and reinsurance contracts (continued)**

- Derivatives embedded in the contract;
- Distinct investment component; and
- Distinct non-insurance service component.

The insurance subsidiary does not have any embedded derivatives in the current insurance contracts issued or reinsurance contracts held.

(c) Level of aggregation

The insurance and reinsurance contracts are aggregated into groups for measurement purposes. Each group comprise of contracts with similar risks which are managed together and further divided by year of contract issuance; and into their expected profitability at inception as follows:

- Contracts that are onerous on initial recognition;
- Contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- Any remaining contracts.

When a contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which further contract may be added.

Reinsurance contracts held are grouped on a similar basis to the underlying insurance contracts. Some reinsurance contracts held may provide cover for underlying contracts that are included in different groups.

(d) Recognition

The insurance subsidiary recognises insurance and reinsurance contracts issued from the earliest of the following dates:

- The beginning of the coverage period of the group of contracts;
- The date when insurance policy is issued; or
- The date when a group of contracts becomes onerous.

(e) Insurance acquisition cash flows

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of insurance contracts that are directly attributable to the portfolio of insurance contracts to which the group belongs. Such cash flows include cash flows that are not directly attributable to individual contracts or group of insurance contracts within the portfolio.

For contracts which have a coverage period of one year or less, the insurance subsidiary has the option to recognise insurance acquisition cost as incurred and expense them or amortise them over time using a rational approach to allocate to each group. Insurance acquisition cash flows that are directly attributable to a group of contracts (e.g. commissions) are allocated only to the group of contracts. Insurance acquisition cash flows, other than commission, will be amortised over the coverage period of the contracts in line with premiums.

(f) Contract boundary

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group. Cash flows are within the boundary of an insurance contract if they arise from substantive right and obligation that exists during the reporting period in which the insurance subsidiary can compel the policy holder to pay the premiums, or in which the insurance subsidiary has a substantive obligation to provide the policyholder with insurance contract services.

For reinsurance contracts, cash flows are within the boundary if they arise from substantive right and obligation that exists during the reporting period in which the insurance subsidiary is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(24) INSURANCE CONTRACT AND REINSURANCE CONTRACTS HELD (CONTINUED)

(g) Measurements

The insurance subsidiary's insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the Premium Allocation Approach ('PAA'). The PAA is a simplified approach for measurement of the liability of remaining coverage ('LRC') that an entity may choose to use when the PAA provides a measurement which is not materially differs from that under the General Measurement Model ('GMM') or if the coverage period of each contract in the group of insurance contracts is one year or less.

The measurement principles of the PAA differ from the 'earned premium approach' used under MFRS 4 in the following key areas:

- The LRC reflects premiums received net of deferred insurance acquisition cash flows and amounts recognised in the profit or loss for insurance services provided over the coverage period.
- Measurement of the LRC includes an adjustment for the time value of money and the effect of financial risk where the premium due date and the related period of services are more than 12 months apart.
- Measurement of the LRC involves an explicit evaluation of risk adjustment for non-financial risk when a group of contracts is onerous in order to calculate a loss component (previously these may have formed part of the unexpired risk reserve provision).
- Measurement of the liability for incurred claims ('LIC') (previously claims outstanding and incurred-but-not-reported ('IBNR') claims) is determined on a discounted probability-weighted expected value basis, and includes an explicit risk adjustment for non-financial risk. The liability includes the insurance subsidiary's obligation to pay other incurred insurance expenses.
- Measurement of the asset for remaining coverage (reflecting reinsurance premiums paid for reinsurance held) is adjusted to include a loss-recovery component to reflect the expected recovery of onerous contract losses where such contracts reinsure onerous direct contracts.

(25) EMPLOYEE BENEFITS

(a) Short-term employee benefits

The Group and the Bank recognise a liability and an expense for bonuses. The Group and the Bank recognise a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and the Bank.

(b) Defined contribution plans

A defined contribution plan is a pension plan under which the Group and the Bank pay fixed contributions to the national pension scheme. The Group and the Bank's contributions to defined contribution plans are charged to income statements in the period to which they relate. Once the contributions have been paid, the Group and the Bank have no further legal or constructive obligations.

(c) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates:

- (i) When the Group can no longer withdraw the offer of those benefits; and
- (ii) When the entity recognises costs for a restructuring that is within the scope of MFRS 137 'Provision, Contingent Liabilities and Contingent Assets' and involves the payment of termination benefits.

(d) Share-based compensation

The fair value of the shares offered is recognised as an expense in the income statements over the vesting periods of the grant with a corresponding increase to share-based payment reserve within equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of shares granted that are expected to vest. At each reporting date, the Group and the Bank will review and revise the estimates of the number of shares granted and shares that are expected to vest. The impact of the revision of original estimates, if any, will be recognised in the income statements, with a corresponding adjustment to share-based payment reserve in equity.

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(26) CURRENT AND DEFERRED INCOME TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognised in income statements, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group and the Bank operate and include all taxes based upon the taxable profits, including withholding taxes payable by foreign subsidiaries, associates and joint ventures and arising from distributions of retained profits to companies in the Group.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred income tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax related to the fair value remeasurement of debt instruments at FVOCI and equity instruments at fair value through other comprehensive income, which is charged or credited directly to equity, is also credited or charged directly to equity. The debt instruments at FVOCI is subsequently recognised in the income statements together with the deferred gain or loss.

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the date of statements of financial position and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group is within the scope of the Organisation for Economic Co-operation and Development ('OECD') Pillar Two model rules. Pillar Two rules introduces a global minimum Effective Tax Rate ('ETR') via a system where multinational groups with consolidated revenue of over EUR 750 million are subject to a minimum ETR of 15% on income arising from low-taxed jurisdictions. The Group has adopted the 'International Tax Reform - Pillar Two Model Rules (amendments to IAS12)'. The amendments provide a temporary mandatory exception from deferred tax accounting for Pillar Two top-up taxes and requires disclosures about the Group's Pillar Two exposure. Pillar Two legislation has been enacted in a number of locations where the Group operates, including Malaysia, Singapore, Thailand, Jersey, Hong Kong, and Indonesia, effective from 1 January 2025. The Group has performed an assessment of the Group's potential exposure to Pillar Two income taxes. Based on the assessment, the exposure to Pillar Two top up taxes is immaterial to the Group.

Summary of Material Accounting Policies and Critical Accounting Estimates and Assumptions

For The Financial Year Ended 31 December 2025

(A) SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(27) CURRENCY CONVERSION AND TRANSLATION

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in Ringgit Malaysia, which is the Bank's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in income statements, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses are presented in income statements within other operating income.

Changes in the fair value of monetary securities denominated in foreign currency classified as debt instruments under FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in income statements, and other changes in carrying amount are recognised in OCI.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at FVTPL are recognised in income statements as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as at FVOCI, are recognised in OCI.

(c) Group companies

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each statements of financial position presented are translated at the closing rate at the date of that statements of financial position;
- (ii) Income and expenses for each statements of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of transactions); and
- (iii) All resulting exchange differences are recognised as a separate component of other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is partially disposed of or sold, a proportionate share of such exchange differences is recognised in income statements as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(28) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources to and assessing performance of the operating segments of an entity. The Group has determined its Group Management Committee as its chief operating decision-maker.

All transactions between operating segments are conducted based on mutually agreed allocation basis, with intra-segment revenue and costs being eliminated. Income and expenses directly associated with each segment are included in determining business segment performance.

(29) TRUST ACTIVITIES

The Group acts as trustees and in other fiduciary capacities that result in holding or placing of assets on behalf of individuals, trust and other institutions. These assets and income arising thereon are not recognised as assets of the Group.

(B) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group and the Bank make estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets within the next financial year are outlined below:

(1) Fair value of financial instruments

For financial instruments measured at fair value, where the fair values cannot be derived from active markets, these fair values are determined using a variety of valuation techniques, including the use of mathematical models. Whilst the Group and the Bank generally use widely recognised valuation models with market observable inputs, judgement is required where market observable data are not available. Such judgement normally incorporate assumptions that other market participants would use in their valuations, including assumptions about interest/profit rate yield curves, exchange rates, discounted cash flows method, option pricing models, credit models and other relevant valuation models. The valuation of financial instruments is described in more detail in Note 55(f) to the financial statements.

(2) Allowance for expected credit losses ('ECL')

The measurement of the ECL for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.

MFRS 9 introduces the use of macroeconomic factors which include, but is not limited to, private consumption, unemployment rates, inflation and industrial production, and requires an evaluation of both the current and forecast direction of the economic cycle. Incorporating forward looking information increases the level of judgement as to how changes in these macroeconomic factors will affect ECL. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- (i) Determining criteria for significant increase in credit risk;
- (ii) Choosing appropriate models and assumptions for the measurement of ECL;
- (iii) Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL;
- (iv) Establishing groups of similar financial assets for the purposes of measuring ECL; and
- (v) Identifying and calculating adjustments to model output (model overlay adjustments).

ECL models and methodologies shall be reviewed periodically and any issue identified shall subject to further analysis. Where applicable, the finding/weakness which is significant may warrant management ECL overlay adjustment or model risk adjustment. The overlays/model risk adjustment shall be subjected to robust review and governance process.

The Group and the Bank have exercised judgement in the provision of management overlay for ECL of loans/financing which is estimated and adapted based on information on-hand. Management overlay is made in circumstances where the Group and the Bank believe that existing inputs, assumptions and modelling process have not capture existing or expected risk factors relevant to the loan/financing portfolio. Examples of such circumstances include emerging risks in the local or global macroeconomic, microeconomic or political events, and natural disasters that have not been considered in the modelling process.

The Group and the Bank have made management overlay for potential deterioration in credit risks of its large corporate, retail, small and medium enterprises ('SME') and overseas portfolios. The factors associated with potential deterioration in credit risks include economic uncertainty due to geopolitical tensions, rising inflation, rapidly increasing interest rates, alongside other factors, which may have potential ramifications to the economy. Additionally, the deterioration in credit profile has yet to be fully reflected in modelling data due to the masking effects of observed defaults owing to various relief assistances to support businesses and individuals, hence management overlay is provided.

As at 31 December 2025, total management overlay is estimated at RM339 million and RM243 million (2024: RM310 million and RM63 million) for the Group and the Bank respectively.

(3) Goodwill impairment

Goodwill is tested at least annually for impairment. Impairment is measured by comparing the carrying amount of the cash generating units with its recoverable amount. The recoverable amount is determined based on higher of value in use ('VIU') and fair value less cost of disposal ('FVLCD'). Testing of goodwill for impairment involves a significant amount of estimation. This includes the identification of independent CGU and the allocation of goodwill to these units based on which units are expected to benefit from the acquisition. Estimating the value in use requires the Group and the Bank to make an estimate of the expected future cash flows from the CGU. Determining both the expected pre-tax cash flows and the risk adjusted discount rate appropriate to the CGU also require the exercise of judgement. The variables are subject to fluctuations in external market rates and economic conditions beyond management control and are subject to uncertainty and require the exercise of significant judgement. The detailed disclosures on the assessment of impairment of goodwill is disclosed in Note 19 to the financial statements.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

1 GENERAL INFORMATION

RHB Bank Berhad is a public limited company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Bank are commercial banking and finance related business and the provision of related services. The Group is involved in commercial banking and finance related business, Islamic banking, investment banking, stock broking, leasing, offshore banking, property investment, general insurance, unit trust management, asset management, nominee and custodian services.

There have been no significant changes in these principal activities during the financial year.

The address of the registered office of the Bank is Level 10, Tower One, RHB Centre, Jalan Tun Razak, 50400 Kuala Lumpur.

The financial statements have been approved and authorised for issue by the Board of Directors on 27 February 2026.

2 CASH AND SHORT-TERM FUNDS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and balances with banks and other financial institutions	4,407,202	5,123,146	3,788,373	4,037,424
Money at call and deposit placements maturing within one month	2,240,781	6,428,501	3,229,727	9,184,762
	6,647,983	11,551,647	7,018,100	13,222,186

Included in cash and short-term funds of the Group are:

- (i) Accounts held in trust for the purpose of funds managed by the asset management subsidiaries amounting to RM181,136,000 (2024: RM228,845,000); and
- (ii) Accounts held in trust for remisers amounting to RM84,876,000 (2024: RM88,569,000).

3 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Licensed banks	548,947	531,742	2,039,282	2,355,448
Licensed Islamic banks	-	224,224	4,218,901	3,904,878
Licensed investment banks	-	50,152	2,291,020	1,772,055
Other financial institutions	-	5,062	-	5,062
	548,947	811,180	8,549,203	8,037,443

4 INVESTMENT ACCOUNT DUE FROM DESIGNATED FINANCIAL INSTITUTIONS

This investment account which is exposure to Restricted Profit Sharing Investment Account ('RPSIA'), is an arrangement by the Bank with its wholly-owned subsidiary, RHB Islamic Bank Berhad ('RHB Islamic Bank'). The RPSIA are contracts between the Bank and RHB Islamic Bank based on the following Shariah concept:

- (i) Mudharabah – to finance a business venture where the Bank provides capital and the business venture is managed solely by RHB Islamic Bank. The profit of the business venture will be shared based on pre-agreed ratios between the Bank and RHB Islamic Bank as Mudharib (manager or manager of funds), and losses shall be borne solely by the Bank; and
- (ii) Wakalah Bi Al-Istithmar – a contract where the Bank (muwakkil) appoints RHB Islamic Bank as his agent (wakil) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of a fee. The fee shall be recognised based on agreement. Profit generated/ losses incurred is based on net distributable income calculated. Losses (if any) will solely be borne by the Bank unless such losses is due to RHB Islamic Bank's misconduct, negligence or breach of specified terms in the contract.

These placement are used to fund the following RHB Islamic Bank's underlying assets under the RPSIA arrangement:

	Bank	
	2025 RM'000	2024 RM'000
Principal		
Personal financing	3,050,000	1,500,000
Other term financing	3,533,468	2,059,192
Unquoted securities	-	973,023
	6,583,468	4,532,215

As at 31 December 2025, the RPSIA placements have an average rate of return ranging between 3.77% to 4.13% (2024: 3.64% to 4.64%) per annum and average profit sharing rate ranging between 94% to 96% (2024: 86% to 90%).

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ('FVTPL')

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Mandatory measured at fair value				
MONEY MARKET INSTRUMENTS:				
Malaysian Government Securities	500,496	1,445,059	492,445	1,440,843
Malaysian Government Investment Issues	943,893	553,678	686,024	418,510
Cagamas bonds	15,382	-	-	-
Khazanah bonds	2,261	-	2,261	-
Other foreign government investment issues	-	4,452	-	4,452
Other foreign government securities	13,054	-	13,054	-
Singapore Housing Development Board	57,355	-	57,355	-
QUOTED SECURITIES:				
In Malaysia				
Shares, exchange traded funds and warrants	495,759	323,667	153,056	1,342
Unit trusts	41,052	40,375	-	-
Outside Malaysia				
Shares, exchange traded funds and warrants	82,220	3,962	-	-
UNQUOTED SECURITIES:				
In Malaysia				
Corporate bond/sukuk	2,073,426	1,688,071	811,461	743,698
Unit trusts	304,954	294,077	-	-
Commercial paper	447,848	456,529	447,848	456,529
Outside Malaysia				
Corporate bond/sukuk	133,896	16,733	133,882	16,733
Private equity funds	747,321	873,279	-	-
	5,858,917	5,699,882	2,797,386	3,082,107

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI')

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At fair value				
(a) Debt instruments	55,133,875	50,945,435	45,826,900	42,285,064
(b) Equity instruments	890,037	831,160	839,143	782,050
	56,023,912	51,776,595	46,666,043	43,067,114
(a) Debt instruments				
<u>MONEY MARKET INSTRUMENTS:</u>				
Malaysian Government Securities	8,885,403	5,585,204	8,723,155	5,424,441
Malaysian Government Investment Issues	10,114,431	12,730,339	6,859,313	9,169,881
Cagamas bonds	971,888	1,321,405	715,850	762,004
Khazanah bonds	66,701	70,191	66,701	70,191
Negotiable instruments of deposits	-	200,139	-	200,139
Other foreign government investment issues	37,996	248,657	37,996	248,657
Other foreign government securities	461,818	99,788	461,818	99,788
Singapore Government Treasury Bills	251,263	2,089,008	251,263	2,089,008
Singapore Government Securities	776,484	506,767	776,484	506,767
Singapore Housing Development Board	566,805	450,077	566,805	450,077
Thailand Government Securities	915,382	760,805	915,382	760,805
<u>UNQUOTED SECURITIES:</u>				
In Malaysia				
Corporate bond/sukuk	19,338,836	15,807,983	13,705,265	11,428,234
Outside Malaysia				
Corporate bond/sukuk	12,746,868	11,075,072	12,746,868	11,075,072
	55,133,875	50,945,435	45,826,900	42,285,064

Included in financial investments at FVOCI of the Group and the Bank are debt instruments, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM2,397,000,000 (2024: RM8,495,000,000) and RM4,402,000,000 (2024: RM10,249,000,000) respectively.

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI') (CONTINUED)
(a) Debt instruments (continued)
(i) Movement in allowance for credit losses recognised in FVOCI reserves

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
Group				
2025				
Balance as at the beginning of the financial year	25,710	-	-	25,710
Changes in credit risk	(719)	-	-	(719)
Purchases and origination	15,295	-	-	15,295
Changes to model methodologies	2,639	-	-	2,639
Derecognition and disposal	(10,168)	-	-	(10,168)
Exchange differences	(464)	-	-	(464)
Balance as at the end of the financial year	32,293	-	-	32,293
2024				
Balance as at the beginning of the financial year	31,187	-	-	31,187
Changes in credit risk	(4,333)	-	-	(4,333)
Purchases and origination	7,845	-	-	7,845
Derecognition and disposal	(8,265)	-	-	(8,265)
Exchange differences	(724)	-	-	(724)
Balance as at the end of the financial year	25,710	-	-	25,710
Bank				
2025				
Balance as at the beginning of the financial year	24,077	-	-	24,077
Changes in credit risk	(802)	-	-	(802)
Purchases and origination	13,391	-	-	13,391
Changes to model methodologies	2,552	-	-	2,552
Derecognition and disposal	(9,453)	-	-	(9,453)
Exchange differences	(464)	-	-	(464)
Balance as at the end of the financial year	29,301	-	-	29,301
2024				
Balance as at the beginning of the financial year	29,025	-	-	29,025
Changes in credit risk	(4,019)	-	-	(4,019)
Purchases and origination	7,396	-	-	7,396
Derecognition and disposal	(7,601)	-	-	(7,601)
Exchange differences	(724)	-	-	(724)
Balance as at the end of the financial year	24,077	-	-	24,077

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

6 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI') (CONTINUED)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(b) Equity instruments				
QUOTED SECURITIES:				
Outside Malaysia				
Shares	3,862	3,402	-	-
UNQUOTED SECURITIES:				
In Malaysia				
Shares	884,246	825,562	839,141	782,048
Outside Malaysia				
Shares	1,929	2,196	2	2
	890,037	831,160	839,143	782,050

The Group and the Bank designated certain investments as equity securities under FVOCI. The FVOCI designation was made because these investments are held for socio-economic purposes and not for trading purposes.

	Group		Bank	
	Fair value RM'000	Dividend income recognised during the financial year RM'000	Fair value RM'000	Dividend income recognised during the financial year RM'000
2025				
Securities				
Cagamas Holdings Berhad	449,465	2,587	407,759	2,347
Financial Park (Labuan) Sdn Bhd	179,592	1,600	179,592	1,600
Payments Network Malaysia Sdn Bhd (PayNet)	132,320	-	132,320	-
Credit Guarantee Corporation Malaysia Bhd	80,281	-	80,281	-
Others	48,379	2,319	39,191	1,867
	890,037	6,506	839,143	5,814
2024				
Securities				
Cagamas Holdings Berhad	428,302	2,587	388,156	2,347
Financial Park (Labuan) Sdn Bhd	169,932	1,600	169,932	1,600
Payments Network Malaysia Sdn Bhd (PayNet)	105,779	-	105,779	-
Credit Guarantee Corporation Malaysia Bhd	79,319	-	79,319	-
Others	47,828	2,101	38,864	1,646
	831,160	6,288	782,050	5,593

7 FINANCIAL INVESTMENTS AT AMORTISED COST

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At amortised cost				
<u>MONEY MARKET INSTRUMENTS:</u>				
Malaysian Government Securities	4,247,946	4,915,835	3,814,348	4,481,788
Malaysian Government Investment Issues	4,359,161	4,498,330	1,609,269	2,334,782
Cagamas bonds	922,202	946,972	511,286	480,721
Khazanah bonds	207,505	199,446	162,222	156,032
Singapore Government Treasury Bills	2,505,411	3,761,252	2,505,411	3,761,252
Singapore Government Securities	487,072	64,418	487,072	64,418
Singapore Central Bank Bills	1,098,032	818,767	1,098,032	818,767
Thailand Government Bonds	154,220	155,704	154,220	155,704
Sukuk (Brunei) Incorporation	15,704	41,246	15,704	41,246
Brunei Central Bank Bills	7,883	11,485	7,883	11,485
<u>UNQUOTED SECURITIES:</u>				
In Malaysia				
Corporate bond/sukuk	13,808,450	15,270,446	6,899,283	7,169,686
Corporate loan stocks	20,687	21,402	-	-
Outside Malaysia				
Corporate bond/sukuk	115,415	82,963	64,650	52,555
	27,949,688	30,788,266	17,329,380	19,528,436
Fair value changes arising from fair value hedges	645	(2,458)	-	-
	27,950,333	30,785,808	17,329,380	19,528,436
Allowance for credit losses	(134,923)	(673,339)	(60,562)	(598,092)
	27,815,410	30,112,469	17,268,818	18,930,344

- (a) Included in financial investments at amortised cost of the Group and the Bank are debt instruments, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM5,215,000,000 (2024: RM5,704,000,000) and RM7,428,000,000 (2024: RM6,965,000,000) respectively.
- (b) Included in financial investments at amortised cost of the Group are exposures to Restricted Investment Account ('RA'), as part of the arrangement between RHB Islamic Bank and the investor based on Mudharabah concept. The investor will provide capital and the business venture is managed solely by RHB Islamic Bank. The profit of the business venture will be shared based on pre-agreed ratios with RHB Islamic Bank as Mudharib (manager or manager of funds), and losses shall be borne solely by the investor. As at 31 December 2025, gross exposure to RA financing funded by the investor at the Group is RMNil (2024: RM564,169,000). The portfolio expected credit losses for financial investments at amortised cost relating to RA is borne solely by the investor.
- (c) Included in financial investments at amortised costs of the Group and the Bank are corporate sukuk of RM142,747,000 (2024: RMNil) that are credit impaired at initial recognition and classified as POCI assets.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

7 FINANCIAL INVESTMENTS AT AMORTISED COST (CONTINUED)

(i) Movement in credit impaired financial investments at amortised cost

(a) Credit impaired

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balance as at the beginning of the financial year	1,426,915	1,358,764	55,135	55,795
Purchases and origination	-	68,966	-	-
Derecognition	(898,082)	(572)	(212)	(417)
Written Off	(407,061)	-	-	-
Exchange differences	(756)	(243)	(756)	(243)
Balance as at the end of the financial year	121,016	1,426,915	54,167	55,135

(b) POCI

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balance as at the beginning of the financial year	-	-	-	-
Purchases and origination	281,226	-	281,226	-
Derecognition	(138,479)	-	(138,479)	-
Balance as at the end of the financial year	142,747	-	142,747	-

The Group, together with the investor, held credit-impaired corporate sukuk exposures amounting to RMNil (2024: RM1,304,191,000, of which the Group: RM740,022,000 and the investor RM564,169,000 respectively).

During the financial year, a debt restructuring scheme was implemented to regularise the credit-impaired corporate sukuk obligation by the issuer.

Due to the debt restructuring scheme, the investor had terminated the RA, as part of the arrangement between RHB Islamic Bank and the investor based on the Mudharabah concept, and all credit-impaired corporate sukuk were returned to the investor as per the RA arrangement.

The restructuring resulted in a substantial modification of contractual terms, requiring derecognition of the original corporate sukuk and associated expected credit losses in accordance with MFRS 9. Any unrecoverable shortfall was written off.

In settlement, the Group and the Bank received a new set of financial instruments comprising:

- Sukuk: Recognised as POCI assets, measured at fair value on initial recognition, net of lifetime expected credit losses; and
- Redeemable Convertible Unsecured Islamic Debt Securities and Ordinary Shares: Classified as financial assets at FVTPL.

7 FINANCIAL INVESTMENTS AT AMORTISED COST (CONTINUED)
(ii) Movement in allowance for credit losses

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
Group				
2025				
Balance as at the beginning of the financial year	16,251	-	657,088	673,339
Changes in credit risk	(1,822)	-	(741)	(2,563)
Purchases and origination	1,959	-	-	1,959
Changes to model methodologies	436	-	-	436
Derecognition	(2,883)	-	(127,516)	(130,399)
Written off	-	-	(407,061)	(407,061)
Exchange differences	(34)	-	(754)	(788)
Balance as at the end of the financial year	13,907	-	121,016	134,923
2024				
Balance as at the beginning of the financial year	13,183	1,192	657,903	672,278
Changes in credit risk	888	(121)	(155)	612
Purchases and origination	4,857	-	-	4,857
Derecognition	(2,650)	(1,071)	(423)	(4,144)
Exchange differences	(27)	-	(237)	(264)
Balance as at the end of the financial year	16,251	-	657,088	673,339
Bank				
2025				
Balance as at the beginning of the financial year	8,594	-	589,498	598,092
Changes in credit risk	(1,240)	-	-	(1,240)
Purchases and origination	1,212	-	-	1,212
Changes to model methodologies	140	-	-	140
Derecognition	(2,311)	-	(127,516)	(129,827)
Written off	-	-	(407,061)	(407,061)
Exchange differences	-	-	(754)	(754)
Balance as at the end of the financial year	6,395	-	54,167	60,562
2024				
Balance as at the beginning of the financial year	6,963	1,191	590,158	598,312
Changes in credit risk	190	(120)	-	70
Purchases and origination	2,801	-	-	2,801
Derecognition	(1,360)	(1,071)	(423)	(2,854)
Exchange differences	-	-	(237)	(237)
Balance as at the end of the financial year	8,594	-	589,498	598,092

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

8 LOANS, ADVANCES AND FINANCING

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) By type				
At amortised cost				
Overdrafts	5,249,453	5,511,846	3,273,679	3,610,475
Term loans/financing:				
– Housing loans/financing	98,379,576	91,586,375	56,247,898	53,609,960
– Syndicated term loans/financing	16,994,606	15,801,509	13,472,351	12,617,846
– Hire purchase receivables/financing	13,381,445	12,306,713	194,560	243,682
– Other term loans/financing	84,274,314	81,790,468	46,024,571	46,026,695
Bills receivables	10,299,084	9,846,413	8,020,852	8,305,551
Trust receipts	1,442,983	1,552,152	1,410,077	1,510,834
Claims on customers under acceptance credits	–	1,185,726	–	773,328
Share margin financing	2,606,741	2,303,345	776,795	492,962
Staff loans/financing	84,743	86,917	47,867	55,314
Credit/charge card receivables	2,981,441	2,653,314	2,407,322	2,201,530
Revolving credits/financing	14,948,455	13,133,212	11,146,148	9,614,496
Gross loans, advances and financing	250,642,841	237,757,990	143,022,120	139,062,673
Fair value changes arising from fair value hedges	(22,153)	(50,318)	(1,435)	(8,544)
	250,620,688	237,707,672	143,020,685	139,054,129
Less: Allowance for credit losses	(2,710,280)	(2,740,024)	(1,826,419)	(1,832,389)
Net loans, advances and financing	247,910,408	234,967,648	141,194,266	137,221,740

- (i) Included in loans, advances and financing are housing loans/financing sold to Cagamas with recourse to the Group and the Bank amounting to RM2,643,734,000 (2024: RM1,992,426,000) and RMNil (2024: RM824,599,000) respectively.
- (ii) Included in loans, advances and financing of the Group are exposures to Unrestricted Investment Account ('UA'), as part of the arrangement between RHB Islamic Bank and other investors based on Wakalah concept, a trust-based contract in which a party (muwakkil) appoints another party as his agent (wakil) to perform a particular task, in matters that may be delegated, either voluntarily or with imposition of a fee. The fee shall be recognised based on agreement. Profit generated/losses incurred is based on net distributable income calculated. Net distributable income is derived after deducting Wakalah fee, direct expenses and provisions (if any). Losses (if any) will be borne solely by the investors unless such losses are due to RHB Islamic Bank's misconduct, negligence or breach of specified terms in the contract between the investors and RHB Islamic Bank. As at 31 December 2025, gross exposure to UA financing funded by investors at the Group is RM11,000,000 (2024: RM685,100,000). The portfolio expected credit losses for financing and advances relating to UA is borne solely by the investors.

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(b) By type of customer				
Domestic non-bank financial institutions:				
- Others	4,793,513	4,444,513	1,959,993	1,891,121
Domestic business enterprises:				
- Small and medium enterprises	36,100,997	35,289,105	25,172,189	24,683,707
- Others	31,193,253	29,466,869	19,126,400	18,680,573
Government and statutory bodies	7,431,608	6,870,834	62,049	2,004
Individuals	129,419,048	121,264,220	61,690,309	60,047,511
Other domestic entities	131,205	137,189	18,936	25,616
Foreign entities	41,573,217	40,285,260	34,992,244	33,732,141
	250,642,841	237,757,990	143,022,120	139,062,673
(c) By geographical distribution				
Malaysia	212,994,184	200,489,480	111,231,332	108,217,690
Labuan Offshore	3,063,691	2,949,373	-	-
Singapore	30,655,584	29,386,648	30,655,584	29,386,648
Thailand	950,164	1,266,684	950,164	1,266,684
Brunei	185,040	191,651	185,040	191,651
Cambodia	2,620,082	3,229,310	-	-
Lao	61,953	79,613	-	-
Indonesia	112,143	165,231	-	-
	250,642,841	237,757,990	143,022,120	139,062,673
(d) By interest/profit rate sensitivity				
Fixed rate:				
- Housing loans/financing	448,314	483,329	379,111	413,627
- Hire purchase receivables/financing	420,152	433,951	194,560	243,682
- Other fixed rate loans/financing	22,465,047	21,396,239	8,971,568	9,445,036
Variable rate:				
- Base lending/financing rate/base rate plus	156,769,304	147,704,619	82,457,273	80,982,561
- Cost-plus	48,549,519	47,382,332	31,501,125	30,076,814
- Other variable rates	21,990,505	20,357,520	19,518,483	17,900,953
	250,642,841	237,757,990	143,022,120	139,062,673

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(e) By economic sector				
Agriculture, hunting, forestry and fishing	3,989,787	4,251,964	2,259,742	2,338,518
Mining and quarrying	237,411	239,865	99,588	133,864
Manufacturing	12,580,249	12,494,716	9,205,352	8,823,203
Electricity, gas and water	1,329,252	1,199,130	863,228	777,505
Construction	11,088,367	12,774,662	8,325,497	8,848,908
Wholesale and retail trade and restaurant and hotel	22,751,171	23,493,552	16,916,959	17,434,625
Transport, storage and communication	4,898,421	4,654,355	2,723,626	1,706,872
Finance, insurance, real estate and business services	44,441,578	38,925,837	30,492,352	29,189,820
Education, health and others	10,296,043	9,347,574	2,114,631	2,210,680
Household sector	137,546,943	128,912,713	68,582,695	66,290,437
Others	1,483,619	1,463,622	1,438,450	1,308,241
	250,642,841	237,757,990	143,022,120	139,062,673
(f) By purpose				
Purchase of securities	13,743,698	11,933,474	5,861,179	4,803,514
Purchase of transport vehicles	13,540,384	12,198,400	303,461	85,068
Purchase of landed property:				
– Residential	97,268,135	90,768,179	56,514,619	53,941,767
– Non-residential	32,247,879	29,499,620	26,037,580	23,243,877
Purchase of property, plant and equipment other than land and building	629,303	896,596	497,003	635,966
Personal use	13,484,571	13,150,699	6,240,394	6,347,148
Credit card	2,981,441	2,653,314	2,407,322	2,201,530
Purchase of consumer durables	4,935	5,554	4,935	5,554
Construction	8,211,177	8,095,147	6,433,425	6,362,116
Working capital	53,375,151	56,850,647	34,945,281	37,965,974
Merger and acquisition	1,152,164	707,887	707,001	620,614
Other purposes	14,004,003	10,998,473	3,069,920	2,849,545
	250,642,841	237,757,990	143,022,120	139,062,673
(g) By remaining contractual maturities				
Maturity within one year	43,943,580	42,894,437	31,451,313	30,726,865
More than one year to three years	17,493,337	12,009,107	12,079,837	7,838,552
More than three years to five years	26,119,474	27,090,778	12,566,199	17,297,165
More than five years	163,086,450	155,763,668	86,924,771	83,200,091
	250,642,841	237,757,990	143,022,120	139,062,673

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(h) By stages

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
Group				
2025				
Balance as at the beginning of the financial year	222,730,513	11,540,269	3,487,208	237,757,990
Transfer to 12-month ECL (Stage 1)	2,903,597	(2,794,890)	(108,707)	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(4,273,211)	4,587,109	(313,898)	-
Transfer to lifetime ECL credit impaired (Stage 3)	(507,881)	(775,768)	1,283,649	-
Purchases and origination	62,398,170	3,090,134	448,510	65,936,814
Derecognition	(46,521,173)	(3,479,721)	(429,270)	(50,430,164)
Amount written off	-	-	(761,300)	(761,300)
Exchange differences	(1,701,358)	(92,449)	(47,220)	(1,841,027)
Other movements	-	-	(19,472)	(19,472)
Balance as at the end of the financial year	235,028,657	12,074,684	3,539,500	250,642,841
2024				
Balance as at the beginning of the financial year	207,013,471	11,522,857	3,879,277	222,415,605
Transfer to 12-month ECL (Stage 1)	3,632,539	(3,508,694)	(123,845)	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(4,520,339)	5,223,879	(703,540)	-
Transfer to lifetime ECL credit impaired (Stage 3)	(596,014)	(968,265)	1,564,279	-
Purchases and origination	67,277,170	2,485,026	331,125	70,093,321
Derecognition	(48,012,032)	(3,165,850)	(476,166)	(51,654,048)
Disposal of subsidiaries	(215,994)	-	(3,182)	(219,176)
Amount written off	-	-	(929,870)	(929,870)
Exchange differences	(1,848,288)	(48,684)	(31,314)	(1,928,286)
Other movements	-	-	(19,556)	(19,556)
Balance as at the end of the financial year	222,730,513	11,540,269	3,487,208	237,757,990
Bank				
2025				
Balance as at the beginning of the financial year	130,603,607	6,211,162	2,247,904	139,062,673
Transfer to 12-month ECL (Stage 1)	1,587,587	(1,516,814)	(70,773)	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(2,195,799)	2,371,589	(175,790)	-
Transfer to lifetime ECL credit impaired (Stage 3)	(265,753)	(430,203)	695,956	-
Purchases and origination	32,232,511	1,567,743	221,928	34,022,182
Derecognition	(26,065,350)	(1,915,063)	(281,891)	(28,262,304)
Amount written off	-	-	(523,522)	(523,522)
Exchange differences	(1,236,195)	(18,437)	(12,619)	(1,267,251)
Other movements	-	-	(9,658)	(9,658)
Balance as at the end of the financial year	134,660,608	6,269,977	2,091,535	143,022,120
2024				
Balance as at the beginning of the financial year	120,669,940	6,794,562	2,313,661	129,778,163
Transfer to 12-month ECL (Stage 1)	1,949,676	(1,880,057)	(69,619)	-
Transfer to lifetime ECL not credit impaired (Stage 2)	(2,604,801)	2,778,989	(174,188)	-
Transfer to lifetime ECL credit impaired (Stage 3)	(391,663)	(640,676)	1,032,339	-
Purchases and origination	38,314,160	1,143,820	222,498	39,680,478
Derecognition	(25,654,178)	(1,957,704)	(389,116)	(28,000,998)
Amount written off	-	-	(676,775)	(676,775)
Exchange differences	(1,679,527)	(27,772)	(20,497)	(1,727,796)
Other movements	-	-	9,601	9,601
Balance as at the end of the financial year	130,603,607	6,211,162	2,247,904	139,062,673

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(i) Impaired loans, advances and financing

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(i) By economic sector				
Agriculture, hunting, forestry and fishing	45,549	51,993	27,097	34,262
Mining and quarrying	4,036	3,498	1,488	1,009
Manufacturing	343,470	342,422	289,388	291,433
Electricity, gas and water	81,528	9,384	2,205	2,933
Construction	313,458	460,804	254,377	401,287
Wholesale and retail trade and restaurant and hotel	835,805	765,568	550,620	512,589
Transport, storage and communication	98,789	90,144	86,830	69,463
Finance, insurance, real estate and business services	275,012	389,660	202,610	304,970
Education, health and others	209,189	120,701	78,229	31,959
Household sector	1,295,767	1,205,944	596,380	592,940
Others	36,897	47,090	2,311	5,059
	3,539,500	3,487,208	2,091,535	2,247,904
(ii) By purpose				
Purchase of securities	1,043	13,524	239	12,635
Purchase of transport vehicles	58,372	58,212	1,337	3,103
Purchase of landed property:				
– Residential	1,052,037	975,923	485,645	487,646
– Non-residential	604,303	559,430	258,970	246,081
Purchase of property, plant and equipment other than land and building	9,940	25,887	9,939	25,881
Personal use	144,581	144,190	81,904	93,996
Credit card	29,775	27,184	24,758	23,035
Purchase of consumer durables	484	741	484	741
Construction	99,918	91,303	83,550	86,232
Working capital	1,413,565	1,433,544	1,073,858	1,161,529
Merger and acquisition	2,077	146	955	38
Other purposes	123,405	157,124	69,896	106,987
	3,539,500	3,487,208	2,091,535	2,247,904
(iii) By geographical distribution				
Malaysia	2,593,082	2,431,036	1,483,746	1,578,498
Singapore	139,730	219,625	139,730	219,625
Thailand	464,662	445,703	464,662	445,703
Brunei	3,397	4,078	3,397	4,078
Cambodia	338,629	386,766	-	-
	3,539,500	3,487,208	2,091,535	2,247,904

8 LOANS, ADVANCES AND FINANCING (CONTINUED)
(j) Movement in allowance for credit losses

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
Group				
2025				
Balance as at the beginning of the financial year	803,129	721,173	1,215,722	2,740,024
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	174,465	(139,390)	(35,075)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(34,227)	144,041	(109,814)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(9,611)	(89,465)	99,076	-
	130,627	(84,814)	(45,813)	-
Changes in credit risk	(245,397)	46,067	673,595	474,265
Purchases and origination	127,866	83,742	36,039	247,647
Changes to model methodologies	50,413	(16,093)	(11,997)	22,323
Derecognition	(51,330)	(58,093)	(128,601)	(238,024)
Bad debts written off	-	-	(498,904)	(498,904)
Exchange differences	(5,237)	(5,007)	(7,335)	(17,579)
Other movements	-	-	(19,472)	(19,472)
Balance as at the end of the financial year	810,071	686,975	1,213,234	2,710,280
2024				
Balance as at the beginning of the financial year	691,260	706,389	1,384,946	2,782,595
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	223,174	(183,709)	(39,465)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(33,719)	211,148	(177,429)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(10,170)	(81,073)	91,243	-
	179,285	(53,634)	(125,651)	-
Changes in credit risk	(140,541)	37,827	766,222	663,508
Purchases and origination	134,124	99,666	26,862	260,652
Changes to model methodologies	(7,591)	-	-	(7,591)
Derecognition	(45,872)	(65,946)	(157,030)	(268,848)
Disposal of subsidiaries	-	-	(3,182)	(3,182)
Bad debts written off	-	-	(648,342)	(648,342)
Exchange differences	(7,536)	(3,129)	(8,547)	(19,212)
Other movements	-	-	(19,556)	(19,556)
Balance as at the end of the financial year	803,129	721,173	1,215,722	2,740,024

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(j) Movement in allowance for credit losses (continued)

	12-month ECL (Stage 1) RM'000	Lifetime ECL not credit impaired (Stage 2) RM'000	Lifetime ECL credit impaired (Stage 3) RM'000	Total RM'000
Bank 2025				
Balance as at the beginning of the financial year	443,971	448,001	940,417	1,832,389
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	115,112	(92,661)	(22,451)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(24,743)	90,004	(65,261)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(8,605)	(62,230)	70,835	-
	81,764	(64,887)	(16,877)	-
Changes in credit risk	20,813	88,230	374,255	483,298
Purchases and origination	66,834	20,177	12,094	99,105
Changes to model methodologies	(908)	(49,469)	(8,908)	(59,285)
Derecognition	(43,085)	(37,012)	(100,117)	(180,214)
Bad debts written off	-	-	(328,102)	(328,102)
Exchange differences	(4,213)	(919)	(5,982)	(11,114)
Other movements	-	-	(9,658)	(9,658)
Balance as at the end of the financial year	565,176	404,121	857,122	1,826,419
2024				
Balance as at the beginning of the financial year	430,495	502,282	983,740	1,916,517
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	137,236	(114,747)	(22,489)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(23,564)	90,144	(66,580)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(8,960)	(61,448)	70,408	-
	104,712	(86,051)	(18,661)	-
Changes in credit risk	(147,317)	12,327	550,671	415,681
Purchases and origination	105,864	72,059	16,072	193,995
Changes to model methodologies	(4,360)	-	-	(4,360)
Derecognition	(38,225)	(50,380)	(123,349)	(211,954)
Bad debts written off	-	-	(469,762)	(469,762)
Exchange differences	(7,198)	(2,236)	(7,895)	(17,329)
Other movements	-	-	9,601	9,601
Balance as at the end of the financial year	443,971	448,001	940,417	1,832,389

(a) Included in allowance for credit losses for the Group and the Bank is expected credit losses for loan commitments and financial guarantee contracts amounting to RM84,242,000 (2024: RM82,020,000) and RM59,461,000 (2024: RM57,155,000) respectively.

9 CLIENTS' AND BROKERS' BALANCES

	Group	
	2025 RM'000	2024 RM'000
Amounts owing by clients	425,368	395,316
Less: Allowance for credit losses	(1,361)	(1,784)
	424,007	393,532
Amounts owing by brokers	56,056	85,180
Amounts owing by clearing houses and stock exchanges	261,550	276,302
	741,613	755,014

Movement in allowance for credit losses

	Credit impaired RM'000	Non-credit impaired RM'000	Total RM'000
Group			
2025			
Balance as at the beginning of the financial year	1,783	1	1,784
Transferred to credit impaired	192	(192)	-
Allowance for credit losses	-	209	209
Derecognition	(299)	(16)	(315)
Written off	(140)	-	(140)
Exchange differences	(177)	-	(177)
Balance as at the end of the financial year	1,359	2	1,361
2024			
Balance as at the beginning of the financial year	2,408	1	2,409
Transferred to credit impaired	240	(240)	-
Allowance for credit losses	-	317	317
Derecognition	(751)	(77)	(828)
Exchange differences	(114)	-	(114)
Balance as at the end of the financial year	1,783	1	1,784

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

10 INSURANCE/REINSURANCE CONTRACT ASSETS/(LIABILITIES)

	Assets RM'000	(Liabilities) RM'000	Net RM'000
Group			
2025			
Insurance contract issued			
Liability for remaining coverage	-	(284,866)	(284,866)
Liability for incurred claims	-	(888,625)	(888,625)
Total insurance contract assets/(liabilities)	-	(1,173,491)	(1,173,491)
Reinsurance contract held			
Liability for remaining coverage	77,523	(19,183)	58,340
Liability for incurred claims	393,327	6,084	399,411
Total reinsurance contract assets/(liabilities)	470,850	(13,099)	457,751
Net insurance/reinsurance contract assets/(liabilities)	470,850	(1,186,590)	
2024			
Insurance contract issued			
Liability for remaining coverage	-	(302,408)	(302,408)
Liability for incurred claims	-	(849,139)	(849,139)
Total insurance contract assets/(liabilities)	-	(1,151,547)	(1,151,547)
Reinsurance contract held			
Liability for remaining coverage	83,583	(10,694)	72,889
Liability for incurred claims	416,109	6,237	422,346
Total reinsurance contract assets/(liabilities)	499,692	(4,457)	495,235
Net insurance/reinsurance contract assets/(liabilities)	499,692	(1,156,004)	

11 OTHER ASSETS

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables	(a)	873,826	611,727	517,461	314,982
Cash collateral in relation to derivative transactions		524,513	620,965	524,513	620,965
Deposits		36,040	39,123	31,416	30,727
Prepayments		464,600	396,373	380,131	332,290
Foreclosed properties	(b)	134,397	141,494	134,397	141,494
Amount receivable for release of units from funds		42,009	126,802	-	-
Amount due from subsidiaries	(c)	-	-	580,661	1,070,407
		2,075,385	1,936,484	2,168,579	2,510,865

(a) Other receivables of the Group is stated net of allowance for impairment losses of RM29,101,000 (2024: RM15,762,000).

Movement in allowance for impairment losses

	Group	
	2025 RM'000	2024 RM'000
Balance as at the beginning of the financial year	15,762	16,946
Allowance made/(written back) during the financial year	13,081	(1,126)
Disposal of subsidiaries	-	(28)
Exchange differences	258	(30)
Balance as at the end of the financial year	29,101	15,762

(b) This is stated net of allowance for impairment losses of RM18,638,000 (2024: RM21,348,000).

(c) Included in amount due from subsidiaries are:

- (i) Amount receivable from its Islamic banking subsidiary arising from COVID-19 Government relief funds that have been channelled from BNM through the Bank to its Islamic subsidiary for the purpose of SME financing amounting to RM1,240.5 million (2024: RM1,180.6 million) at a concessionary rate and with maturity ranging between five to eight and a half years;
- (ii) Amount payable to its Islamic banking subsidiary of RM697.9 million (2024: RM145.1 million) arising from normal course of banking business. This amount is unsecured, non-profit and repayable within the normal credit period; and
- (iii) The remaining amount due from other subsidiaries are unsecured, non-interest bearing and receivable with the normal credit period.

12 DERIVATIVE ASSETS/(LIABILITIES)

Derivative financial instruments are financial instruments whose values change in response to changes in prices or rates (such as foreign exchange rates, interest rates and security prices) of the underlying instruments. These instruments are used by the Group and the Bank for economic hedges and for proprietary trading purposes. The default classification for derivative financial instruments is trading, unless designated in a hedge relationship and are in compliance with the stringent requirements of hedge accounting mentioned in the Group and Bank's accounting policies.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

12 DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

The table below shows the Group and the Bank's derivative financial instruments as at the date of statements of financial position. The contractual or underlying principal amounts of these derivative financial instruments and their corresponding gross positive (derivative assets) and gross negative (derivative liabilities) fair values at the date of statements of financial position are analysed below:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Derivative assets:				
- Trading derivatives	2,381,885	2,645,195	2,556,463	2,784,932
- Fair value hedging derivatives	70,713	103,228	37,663	47,375
	2,452,598	2,748,423	2,594,126	2,832,307
Derivative liabilities:				
- Trading derivatives	2,795,429	2,281,841	2,756,121	2,483,434
- Fair value hedging derivatives	13,138	3,327	5,944	311
	2,808,567	2,285,168	2,762,065	2,483,745

	2025			2024		
	Contract or underlying principal amount RM'000	Year-end positive fair value RM'000	Year-end negative fair value RM'000	Contract or underlying principal amount RM'000	Year-end positive fair value RM'000	Year-end negative fair value RM'000
Group						
Trading derivatives:						
Foreign exchange related contracts						
- Forwards/swaps	95,030,229	854,543	1,593,385	94,812,254	1,251,757	1,151,443
- Options	1,448,394	32,063	2,243	159,980	11,921	39
- Cross-currency interest rate swaps	10,315,018	370,761	173,322	9,542,228	214,496	171,097
	106,793,641	1,257,367	1,768,950	104,514,462	1,478,174	1,322,579
Interest rate related contracts						
- Swaps	231,673,551	844,728	712,961	217,220,486	1,046,356	795,693
Commodity related contracts						
- Options	1,289,886	28,142	28,144	1,250,776	52,191	52,191
Equity related contracts						
- Options	1,219,222	250,299	237,819	1,142,309	66,128	66,826
- Swaps	285,096	1,349	18,873	154,049	2,346	7,285
	1,504,318	251,648	256,692	1,296,358	68,474	74,111
Structured warrants	303,388	-	28,682	314,901	-	37,267
Fair value hedging derivatives:						
Interest rate related contracts						
- Swaps	10,918,167	70,713	13,138	8,390,665	103,228	3,327
	352,482,951	2,452,598	2,808,567	332,987,648	2,748,423	2,285,168

12 DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

	2025			2024		
	Contract or underlying principal amount RM'000	Year-end positive fair value RM'000	Year-end negative fair value RM'000	Contract or underlying principal amount RM'000	Year-end positive fair value RM'000	Year-end negative fair value RM'000
Bank						
Trading derivatives:						
Foreign exchange related contracts						
– Forwards/swaps	106,644,548	1,067,431	1,630,457	103,899,300	1,296,274	1,339,715
– Options	1,448,394	32,063	2,243	159,980	11,921	39
– Cross-currency interest rate swaps	11,239,205	383,249	173,386	10,875,381	253,193	171,097
	119,332,147	1,482,743	1,806,086	114,934,661	1,561,388	1,510,851
Interest rate related contracts						
– Swaps	249,240,551	883,926	753,247	229,845,486	1,105,225	854,636
Commodity related contracts						
– Options	1,287,905	28,142	28,144	1,251,303	52,191	52,191
Equity related contracts						
– Options	1,249,312	161,652	168,644	1,142,309	66,128	65,756
Fair value hedging derivatives:						
Interest rate related contracts						
– Swaps	4,128,167	37,663	5,944	3,460,665	47,375	311
	375,238,082	2,594,126	2,762,065	350,634,424	2,832,307	2,483,745

(i) Fair value hedges

Fair value hedges are used by the Group and the Bank for protection against the changes in fair value of financial assets and financial liabilities due to movements in market interest rates. The Group and the Bank use interest rate swaps to hedge against interest rate risk of specific identified fixed rate long term, portfolio homogenous pools of loans, advances and financing, financial assets measured at FVOCI, financial investments measured at amortised cost ('AC'), recourse obligation on loans sold to Cagamas, senior debt securities and subordinated obligations.

The Group and the Bank's hedge accounting policy only allows for effective hedge relationship to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group and the Bank determine whether an economic relationship exists between hedged item and the hedging instrument by considering qualitative characteristics of these items and wherever necessary, supported by quantitative analysis. Under qualitative assessment, the Group and Bank will perform assessment by comparing the changes in the fair value of the hedge to changes in the fair value of the hypothetical derivative.

Only the interest rate risk element is hedged and therefore other risks, such as credit risk, are managed but not hedged by the Group and the Bank. The interest rate risk component is determined as the changes in fair value of long term fixed rate financial investment (e.g. bonds, loans, advances and financing) arising from changes in benchmarks rates such as 3-month Kuala Lumpur Interbank Offered Rate ('KLIBOR'), 3-month USD Secured Overnight Financing Rate ('SOFR'), 6-month USD SOFR and 6-month SGD Singapore Overnight Rate Average. Such changes are usually the largest component of the overall change in fair value. This strategy is designated as a fair value hedge and its effectiveness is assessed with reference to the effectiveness requirements as set out in MFRS 9, which include demonstrating economic relationship, assessing the effect of credit risk and calculating hedge ratio.

The Group and the Bank establish the hedge ratio by aligning the principal amount of the hedged instrument to the extent of its hedged item.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

12 DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

(i) Fair value hedges (continued)

The Group and the Bank have identified the following possible sources of ineffectiveness:

- Counterparty credit risk which impacts the fair value of the interest rate swaps but not the hedged items; and
- Mismatches in terms of the hedged items and hedging instruments such as voluntary discontinuance, maturity date and disposal of hedged item.

The following table sets out the maturity profile and average price of the hedging instruments used in fair value hedges:

	2025		2024	
	Nominal amount RM'000	Average fixed interest rate %	Nominal amount RM'000	Average fixed interest rate %
Interest rate swaps				
Group				
Up to one month	235,000	3.94	10,000	3.10
More than one month to three months	180,000	3.54	-	-
More than three months to twelve months	1,208,608	2.81	1,081,783	2.83
More than one year to five years	9,294,559	3.09	7,298,882	3.16
Total	10,918,167		8,390,665	
Bank				
Up to three months	-	-	10,000	3.10
More than three to twelve months	708,608	2.53	426,783	2.89
More than one year to five years	3,419,559	3.18	3,023,882	3.22
Total	4,128,167		3,460,665	

The amounts relating to items designated as hedging instruments are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest rate swaps				
Nominal amount	10,918,167	8,390,665	4,128,167	3,460,665
of which:				
Nominal amount directly impacted by IBOR reform	683,167	834,665	683,167	834,665
Fair value assets	70,713	103,228	37,663	47,375
Fair value liabilities	13,138	3,327	5,944	311
Hedge effectiveness gain recognised in income statements	(36,641)	(48,965)	(11,465)	(31,055)

12 DERIVATIVE ASSETS/(LIABILITIES) (CONTINUED)

(i) Fair value hedges (continued)

The amounts relating to items designated as hedged items are as follows:

	2025			2024		
	Carrying value RM'000	Fair value hedge adjustments* RM'000	Hedge effectiveness recognised in income statements RM'000	Carrying value RM'000	Fair value hedge adjustments* RM'000	Hedge effectiveness recognised in income statements RM'000
Group						
Loans, advances and financing	5,404,203	(22,153)	28,024	3,266,986	(50,318)	20,089
Financial assets at FVOCI	2,250,853	496	12,431	1,853,724	(12,299)	28,191
Financial investments at AC	718,897	645	3,103	718,753	(2,458)	818
Recourse obligation on loans sold to Cagamas	600,000	709	(12)	600,000	697	(697)
Senior debt securities	1,523,490	15,773	(5,796)	1,517,392	9,977	95
Subordinated obligations	508,276	5,998	(3,185)	502,337	2,813	(2,813)
			34,565			45,683
Bank						
Loans, advances and financing	753,662	(1,435)	6,968	958,937	(8,544)	4,539
Financial assets at FVOCI	1,881,067	(1,776)	8,084	1,012,117	(10,224)	22,359
Senior debt securities	1,523,490	15,773	(5,796)	1,517,392	9,977	95
			9,256			26,993

* All hedging instruments are included in derivative assets and liabilities line item in the statements of financial position.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

13 STATUTORY DEPOSITS

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Statutory deposits with BNM	(a)	1,757,383	3,307,829	876,883	1,665,029
Statutory deposits with Monetary Authority of Singapore	(b)	252,368	197,016	252,368	197,016
Statutory deposits with Ministry of Finance Negara Brunei Darussalam	(c)	22,842	27,217	22,842	27,217
Statutory deposits and reserve deposits with National Bank of Cambodia ('NBC')	(d)	253,289	296,551	-	-
Statutory deposits with National Bank of Lao ('BOL')	(e)	498	1,210	-	-
		2,286,380	3,829,823	1,152,093	1,889,262

- (a) Non-interest bearing statutory deposits maintained with BNM in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act 2009. The amount is determined at a set percentage of total eligible liabilities.
- (b) Non-interest bearing statutory deposits maintained with the Monetary Authority of Singapore in compliance with Banking Act (Cap.19) and Singapore Finance Companies Act (Cap.108).
- (c) Non-interest bearing statutory deposits maintained with the Ministry of Finance, Negara Brunei Darussalam in compliance with Section 45 of the Brunei Darussalam Banking Order 2006.
- (d) Included in statutory deposits with NBC are:
- (i) Interest bearing statutory deposits of RM42.6 million (2024: RM33.5 million) maintained with NBC in compliance with NBC's Prakas No. B7-01-136 dated 15 October 2001 as capital guarantee. This deposit bears interest at 1.06% (2024: 1.30%) per annum, and is not available for use in day-to-day operations but it is refundable when RHB Bank (Cambodia) Plc voluntarily ceases to operate its banking business in Cambodia.
 - (ii) Non-interest bearing deposits of RM206.6 million (2024: RM258.6 million) maintained with NBC in accordance with NBC's Prakas No. B7-023-2621 dated 23 November 2023 as reserve, computed at 7% and 7% (2024: 7% and 7%) of customer deposits in Cambodian Riel ('KHR') and in foreign currencies, respectively.
 - (iii) Non-interest bearing statutory deposits of RM4.0 million (2024: RM4.4 million) maintained with NBC as capital guarantee deposits in compliance with Securities and Exchange Commission of Cambodia ('SECC')'s Prakas No. 009 on the Licensing of Securities Firms and Securities Representatives for operating as a securities underwriter in Cambodia.
- (e) Non-interest bearing statutory deposits maintained with BOL computed at 8% and 11% (2024: 8% and 11%) of customer deposits in Lao Kip ('LAK') and in foreign currencies, respectively.

The statutory deposits amount and reserve requirements mentioned above are determined by the respective authorities.

14 DEFERRED TAX ASSETS/(LIABILITIES)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority. The following amounts determined after appropriate set off, are shown in the statements of financial position:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets	523,223	355,402	257,536	253,475
Deferred tax liabilities	(14,673)	(26,748)	-	-
	508,550	328,654	257,536	253,475
Deferred tax assets:				
- Settled more than twelve months	461,618	303,143	252,603	256,397
- Settled within twelve months	227,485	205,479	165,059	155,121
Deferred tax liabilities:				
- Settled more than twelve months	(113,535)	(121,733)	(97,884)	(107,684)
- Settled within twelve months	(67,018)	(58,235)	(62,242)	(50,359)
	508,550	328,654	257,536	253,475

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

14 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The movements in deferred tax assets and liabilities during the financial year comprise the following:

Note	Property, plant and equipment, intangible assets and right-of-use assets RM'000	Financial assets at FVOCI RM'000	Tax losses RM'000	Provisions RM'000	Contract liability RM'000	Expected credit losses RM'000	Total RM'000
Group 2025							
Balance as at the beginning of the financial year	(157,584)	153,039	33,453	141,832	5,430	152,484	328,654
Transfer from/(to) income statements	44 (23,766)	(1,745)	6,256	27,277	276,570	38,108	322,700
Transfer to equity	-	(143,193)	-	(205)	-	-	(143,398)
Exchange differences	797	-	(4,133)	(2,389)	-	6,319	594
Balance as at the end of the financial year	(180,553)	8,101	35,576	166,515	282,000	196,911	508,550
2024							
Balance as at the beginning of the financial year	(155,192)	164,202	19,085	128,229	14,077	144,275	314,676
Transfer from/(to) income statements	44 (2,638)	(384)	10,527	18,640	(8,647)	7,493	24,991
Transfer to equity	-	(10,849)	-	(176)	-	-	(11,025)
Disposal of subsidiaries	(14)	70	4,306	(4,362)	-	-	-
Exchange differences	260	-	(465)	(499)	-	716	12
Balance as at the end of the financial year	(157,584)	153,039	33,453	141,832	5,430	152,484	328,654

14 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The movements in deferred tax assets and liabilities during the financial year comprise the following (continued):

	Note	Property, plant and equipment, intangible assets and right-of-use assets RM'000	Financial assets at FVOCI RM'000	Provisions RM'000	Expected credit losses RM'000	Contract liability RM'000	Total RM'000
Bank							
2025							
Balance as at the beginning of the financial year		(138,407)	137,079	112,505	142,298	-	253,475
Transfer from/(to) income statements	44	(21,719)	-	(5,830)	35,006	123,610	131,067
Transfer to equity		-	(126,092)	-	-	-	(126,092)
Exchange differences		-	-	(914)	-	-	(914)
Balance as at the end of the financial year		(160,126)	10,987	105,761	177,304	123,610	257,536
2024							
Balance as at the beginning of the financial year		(134,836)	147,755	96,446	139,884	-	249,249
Transfer from/(to) income statements	44	(3,571)	-	16,081	2,414	-	14,924
Transfer to equity		-	(10,676)	-	-	-	(10,676)
Exchange differences		-	-	(22)	-	-	(22)
Balance as at the end of the financial year		(138,407)	137,079	112,505	142,298	-	253,475

Deferred tax assets have not been recognised on the following amounts as it is not probable that the relevant subsidiaries will generate sufficient future taxable profits available against which the deductible temporary differences can be utilised:

	Group	
	2025 RM'000	2024 RM'000
Unabsorbed tax losses carried forward	737,470	737,699
Unabsorbed capital allowances carried forward	58,775	58,775
	796,245	796,474

For Malaysia, the deductible temporary differences have an expiry date of 10 years (previously 7 years subsequent to the changes in the Finance Act 2021 gazetted on 31 December 2021) which is in line with Section 44(5F) of the Income Tax Act 1967 that comes into operation from year of assessment 2019 and subsequent years of assessment. For overseas, the deductible temporary differences have no expiry date, except for Thailand, Indonesia and Lao which can only be carried forward to deduct against future profits for a period of 5 years.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

15 INVESTMENTS IN SUBSIDIARIES

	Bank	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost:		
- In Malaysia	4,275,700	4,275,700
- Outside Malaysia	691,906	563,448
	4,967,606	4,839,148
Capital contribution to subsidiaries	9,517	10,114
	4,977,123	4,849,262
Accumulated impairment losses	(170,664)	(151,244)
	4,806,459	4,698,018

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group		Effective equity interest held by NCI		Principal activities
			2025 %	2024 %	2025 %	2024 %	
RHB Islamic Bank Berhad	Malaysia	1,673,424,002	100	100	-	-	Islamic banking
RHB Bank (L) Ltd	Malaysia	USD79,000,000	100	100	-	-	Labuan banking business
RHB Bank (Cambodia) Plc (“RHB Bank Cambodia”) ^{1,2}	Cambodia	USD105,000,000	100	100	-	-	Commercial banking
RHB Bank Lao Sole Co., Ltd ²	Lao PDR	LAK500,000,062,500	100	100	-	-	Commercial banking
RHB Capital Nominees (Tempatan) Sdn Bhd	Malaysia	10,000	100	100	-	-	Nominee services for Malaysian beneficial shareholders
RHB Capital Nominees (Asing) Sdn Bhd	Malaysia	10,000	100	100	-	-	Nominee services for foreign beneficial shareholders
Banfora Pte Ltd ²	Singapore	SGD25,000,000	100	100	-	-	Other investment holding companies
RHB Bank Nominees Pte Ltd ²	Singapore	SGD100,000	100	100	-	-	Trustee, fiduciary and custody services firm
RHB Capital Properties Sdn Bhd	Malaysia	7,300,000	100	100	-	-	Property investment
RHB Investment Bank Berhad (“RHB Investment Bank”)	Malaysia	1,220,000,000	100	100	-	-	Merchant banking business, dealing in securities, stock, debt and derivatives, stockbroking business and the business of brokers and dealers in futures and options contracts

15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group		Effective equity interest held by NCI		Principal activities
			2025 %	2024 %	2025 %	2024 %	
RHB Merchant Nominees (Tempatan) Sdn Bhd	Malaysia	10,000	100	100	-	-	To act as nominee services for Malaysian beneficial shareholders
RHB Merchant Nominees (Asing) Sdn Bhd	Malaysia	10,000	100	100	-	-	Nominee for foreign beneficial shareholders
RHB Nominees Sdn Bhd	Malaysia	25,000	100	100	-	-	Nominee and custodian services
RHB Nominees (Asing) Sdn Bhd	Malaysia	25,000	100	100	-	-	Nominee and custodian services for foreign beneficial shareholders
RHB Nominees (Tempatan) Sdn Bhd	Malaysia	25,000	100	100	-	-	Nominee and custodian services for Malaysian beneficial shareholders
RHB Asset Management Sdn Bhd ('RHBAM')	Malaysia	10,000,000	100	100	-	-	Rendering of investment management services, management of unit trust funds and private retirement schemes and provision of investment advisory services
RHB Islamic International Asset Management Berhad	Malaysia	13,000,000	100	100	-	-	Rendering of Islamic fund management services and management of Islamic unit trust funds and Islamic wholesale funds
RHB Private Equity Holdings Sdn Bhd ('RHBPE')	Malaysia	200,000,002	100	100	-	-	Investment holding
RHB Private Equity Management Ltd	Malaysia	USD1	100	100	-	-	Private equity investment holding company
RHB Private Equity Fund Ltd ³	Cayman Islands	USD120,329	100	100	-	-	Private equity investment company
RHB Futures and Options Sdn Bhd	Malaysia	10,000,000	100	100	-	-	Investment holding
RHB International Investments Pte Ltd ²	Singapore	SGD12,000,000	100	100	-	-	Investment holding
RHB Asset Management Pte Ltd ²	Singapore	SGD12,100,000	100	100	-	-	Fund management

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group		Effective equity interest held by NCI		Principal activities
			2025 %	2024 %	2025 %	2024 %	
RHB Hong Kong Limited ^{4,6}	Hong Kong	HKD450,000,000	-	100	-	-	Dissolved
RHB Securities Hong Kong Limited ^{4,5}	Hong Kong	HKD340,000,000	-	100	-	-	Dissolved
PT RHB Sekuritas Indonesia ²	Indonesia	IDR204,082 million	99	99	1	1	Securities brokerage and underwriting
RHB Trustees Berhad	Malaysia	6,000,000	100	100	-	-	Professional retail trustee services (will writing, estate planning and private trust) and corporate trustee services (collective investment schemes)
Malaysian Trustees Berhad	Malaysia	550,000	100	100	-	-	Engage in the business of trustee agents, executors and administrators pursuant to the Trust Companies Act 1949
RHB Securities (Cambodia) Plc. ²	Cambodia	USD12,500,000	100	100	-	-	Securities underwriting, brokerage and investment advisory service
RHB Insurance Berhad ('RHB Insurance')	Malaysia	100,000,000	94.7	94.7	5.3	5.3	Underwriting of all classes of general insurance business
RHB SRI Income Fund Plus 2 [^]	Malaysia	-	87.42	87.42	12.58	12.58	Wholesale unit trust fund
AmlIncome Value [^]	Malaysia	-	100	100	-	-	Wholesale unit trust fund
RHB Property Management Sdn Bhd	Malaysia	500,000	100	100	-	-	Property management
RHB Capital (Jersey) Limited	Jersey, Channel Islands	GBP4,012	100	100	-	-	Investment holding
RHB Kawal Sdn Bhd	Malaysia	3,700,000	100	100	-	-	Providing physical security and security consultancy services
RHB Leasing Sdn Bhd	Malaysia	10,000,000	100	100	-	-	Leasing of industrial construction, business equipment and motor vehicles
RHB Foundation*	Malaysia	-	-	-	-	-	Charitable foundation

15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group		Effective equity interest held by NCI		Principal activities
			2025 %	2024 %	2025 %	2024 %	
RHB Bank's dormant subsidiaries							
UMBC Sdn Bhd	Malaysia	1,482,499,818	100	100	-	-	Investment holding and the company has since been dormant
RHB Delta Sdn Bhd ⁷	Malaysia	345,000,000	100	100	-	-	Dormant
RHB (Philippines) Inc. ⁸	Philippines	PHP180,000,000	100	100	-	-	Primarily deal in the acquisition and disposition of real and personal property of every kind and description, except land and the company has since ceased operations
RHB Corporate Services Sdn Bhd ⁹	Malaysia	150,000	100	100	-	-	Dormant
RHB Finexasia.Com Sdn Bhd	Malaysia	11,361,111	100	100	-	-	Dormant
RHB Stock 188.Com Sdn Bhd	Malaysia	480,000	100	100	-	-	Dormant
Utama Assets Sdn Bhd ¹⁰	Malaysia	300,000	100	100	-	-	Dormant
RHB Investment Bank's dormant subsidiaries							
RHB Excel Sdn Bhd ¹¹	Malaysia	200,000,000	100	100	-	-	Dormant
RHB Progressive Sdn Bhd ¹¹	Malaysia	13,500,000	100	100	-	-	Dormant
RHB Marketing Services Sdn Bhd ⁷	Malaysia	100,000	100	100	-	-	Dormant
RHB Research Institute Sdn Bhd ¹²	Malaysia	500,000	100	100	-	-	Dormant
RHB Research Sdn Bhd ¹³	Malaysia	500,000	100	100	-	-	Dormant
RHB International Asset Management Sdn Bhd ¹⁴	Malaysia	7,000,000	100	100	-	-	Activities of holding companies and the company has since been dormant
RHB Islamic Asset Management Sdn Bhd ¹⁵	Malaysia	4,000,000	-	100	-	-	Dissolved

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

15 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest held by the Group		Effective equity interest held by NCI		Principal activities
			2025 %	2024 %	2025 %	2024 %	
RHB Investment Bank's dormant subsidiaries (continued)							
RHBIM Berhad ¹⁴	Malaysia	10,000,000	100	100	-	-	Management of unit trust funds and the investment management of discretionary and non-discretionary mandates and the company has since been dormant
TCL Nominees (Tempatan) Sdn Bhd ¹⁶	Malaysia	644,000	-	100	-	-	Dissolved
TCL Nominees (Asing) Sdn Bhd ¹³	Malaysia	4,000	100	100	-	-	Dormant
KE-ZAN Nominees (Tempatan) Sdn Bhd ¹⁷	Malaysia	650,000	100	100	-	-	Dormant

Notes:

- 1 The Bank had on 4 April 2025 and 18 June 2025 injected additional capital of USD5 million (equivalent to RM22 Million) and USD25 million (equivalent to RM106 million) respectively into the company.
- 2 Subsidiaries audited by a member firm of PricewaterhouseCoopers which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.
- 3 Subsidiary not audited pursuant to Companies Act 2013 in Cayman Islands.
- 4 Subsidiaries audited by a firm other than member firms of PricewaterhouseCoopers.
- 5 The company had been dissolved on 13 June 2025 pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong.
- 6 The company had been dissolved on 6 September 2025 pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong.
- 7 The company has commenced member's voluntary winding up on 16 February 2011.
- 8 The company, a wholly-owned subsidiary of RHB Capital (Jersey) Limited, has ceased operations effective from the close of business on 10 December 2001. On 25 June 2020, the company has commenced the application for the amendment of the Articles of Incorporation with the Philippines Securities and Exchange Commission ('SEC') pursuant to the Corporation Code of the Philippines.
- 9 The company has commenced member's voluntary winding up on 15 September 2023.
- 10 The company has commenced member's voluntary winding up on 16 August 2024.
- 11 The company has commenced member's voluntary winding up on 28 March 2012.
- 12 The company has commenced member's voluntary winding up on 30 September 2020.
- 13 The company has commenced member's voluntary winding up on 30 June 2017.
- 14 The company has commenced member's voluntary winding up on 27 December 2021.
- 15 The company had been dissolved on 27 November 2025 pursuant to Section 459(5) of the Companies Act 2016.
- 16 The company had been dissolved on 1 October 2025 pursuant to Section 459(5) of the Companies Act 2016.
- 17 The company had been dissolved on 2 January 2026 pursuant to Section 459(5) of the Companies Act 2016.

[^] The funds are subsidiaries consolidated in the Group as the Group controls the funds in accordance with MFRS 10 'Consolidated Financial Statements'.

* Consolidated in the Group as the substance of the relationship between the entity and the Bank indicates that the entity is controlled by the Bank.

16 INVESTMENTS IN ASSOCIATES

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Balance as at the beginning of the financial year	74,535	56,036	110,800	74,000
Additional investments	36,990	46,545	34,000	36,800
Disposals	(19,783)	(868)	-	-
Accretion of interest to subsidiary	-	(986)	-	-
Share of reserve for the financial year	592	-	-	-
Share of results for the financial year	(27,659)	(26,192)	-	-
Balance as at the end of the financial year	64,675	74,535	144,800	110,800

The details of the associates are as follows:

Name of company	Country of incorporation	Share capital (in RM unless otherwise stated)	Effective equity interest		Principal activities
			2025 %	2024 %	
Boost Bank Berhad ¹ (‘Boost Bank’)	Malaysia	362,000,000	40.00	40.00	Digital banking
Prostar Capital (Asia-Pacific) Ltd. ² (‘Prostar’)	Cayman Islands	USD60	33.33	33.33	Investment holding with subsidiaries involved in the investment advisory and management of private equity funds
Satin Straits Sdn Bhd ³ (‘Satin Straits’)	Malaysia	5,000,000	-	-	Investment holding
RHB Growth and Income Focus Trust ⁶ (‘GIFT’)	Malaysia	-	-	46.21	Investment in a combination of long-term growth of capital and current income
RHB Energy Fund ⁶ (‘ENERGY’)	Malaysia	-	-	24.42	Investment in long-term capital appreciation that is linked to the global energy sector
RHB Dana Hazeem Fund ⁵ (‘DANA’)	Malaysia	-	-	44.61	Investment in Shariah-compliant equity instruments
RHB Smart Income Fund ⁴ (‘SIF’)	Malaysia	-	-	24.42	Investment in fixed income securities and with the remaining investment in equity
RHB Smart Balanced Fund ⁵ (‘SBF’)	Malaysia	-	-	42.54	Investment in a combination of long-term growth of capital and current income

16 INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarised financial information of the associates which are accounted for using the equity method is as follows (continued):

(i) Summarised statements of financial position (continued)

	Boost Bank RM'000	Prostar RM'000	Satin Straits RM'000	GIFT RM'000	ENERGY RM'000	DANA RM'000	SIF RM'000	SBF RM'000	Total RM'000
2024									
Assets									
Cash and cash equivalents	136,718	20	36	422	140	39	6,569	918	144,862
Deposits and placements with banks and other financial institutions	400,374	-	-	-	-	-	-	-	400,374
Financial investments at amortised cost	203,027	-	-	-	-	-	-	-	203,027
Loans, advances and financing	651	-	-	-	-	-	-	-	651
Other assets	54,838	361	32,581	15,949	6,080	10,118	4,739	6,032	130,698
Statutory deposits	8,000	-	-	-	-	-	-	-	8,000
Tax recoverable	524	-	-	-	-	-	-	-	524
Right-of-use assets	788	-	-	-	-	-	-	-	788
Property, plant and equipment	1,122	-	-	-	-	-	-	-	1,122
Intangible assets	33,412	-	-	-	-	-	-	-	33,412
Total assets	839,454	381	32,617	16,371	6,220	10,157	11,308	6,950	923,458
Liabilities									
Deposits from customers	676,024	-	-	-	-	-	-	-	676,024
Other liabilities	19,436	183	154	442	20	57	6,156	885	27,333
Lease liabilities	869	-	-	-	-	-	-	-	869
Total liabilities	696,329	183	154	442	20	57	6,156	885	704,226
Net assets	143,125	198	32,463	15,929	6,200	10,100	5,152	6,065	219,232

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

16 INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarised financial information of the associates which are accounted for using the equity method is as follows (continued):

(ii) Summarised statements of comprehensive income

	Boost Bank RM'000	Prostar RM'000	Satin Straits RM'000	GIFT RM'000	ENERGY RM'000	DANA RM'000	SIF RM'000	SBF RM'000	Total RM'000
2025									
Interest income	46,141	-	-	-	-	-	-	-	46,141
Interest expense	(18,193)	-	-	-	-	-	-	-	(18,193)
Net interest income	27,948	-	-	-	-	-	-	-	27,948
Other operating loss	(679)	(18)	-	-	-	-	-	-	(697)
Net income/(loss)	27,269	(18)	-	-	-	-	-	-	27,251
Other operating expenses	(96,688)	(68)	-	-	-	-	-	-	(96,756)
Operating loss before allowances	(69,419)	(86)	-	-	-	-	-	-	(69,505)
Allowance for credit losses on financial assets	(6,494)	-	-	-	-	-	-	-	(6,494)
Loss before taxation	(75,913)	(86)	-	-	-	-	-	-	(75,999)
Taxation	8,000	-	-	-	-	-	-	-	8,000
Net loss for the financial year	(67,913)	(86)	-	-	-	-	-	-	(67,999)
2024									
Interest income	8,597	-	-	621	28	34	55	34	9,369
Interest expense	(7,029)	-	-	-	-	-	-	-	(7,029)
Net interest income	1,568	-	-	621	28	34	55	34	2,340
Other operating income/(loss)	(255)	34	-	1,774	-	197	-	-	1,750
Net income	1,313	34	-	2,395	28	231	55	34	4,090
Other operating expenses	(69,974)	(17)	-	(343)	(14)	(18)	(27)	(16)	(70,409)
(Loss)/Profit before taxation	(68,661)	17	-	2,052	14	213	28	18	(66,319)
Taxation	462	-	-	(8)	-	-	-	-	454
Net (loss)/profit for the financial year	(68,199)	17	-	2,044	14	213	28	18	(65,865)

16 INVESTMENTS IN ASSOCIATES (CONTINUED)

Summarised financial information of the associates which are accounted for using the equity method is as follows (continued):

(iii) Reconciliation of summarised financial information presented to the carrying amount of its interest in associates

	Boost Bank RM'000	Prostar RM'000	Satin Straits RM'000	GIFT RM'000	ENERGY RM'000	DANA RM'000	SIF RM'000	SBF RM'000	Total RM'000
2025									
Balance as at the beginning of the financial year	143,125	198	32,463	15,929	6,200	10,100	5,152	6,065	219,232
Capital injection/acquisition	85,000	-	-	-	-	-	-	-	85,000
Disposal during the financial year	-	-	-	(15,929)	(6,200)	(10,100)	(5,152)	(6,065)	(43,446)
Net loss for the financial year	(67,913)	(86)	-	-	-	-	-	-	(67,999)
Translation reserves	-	(118)	-	-	-	-	-	-	(118)
Other reserves	1,481	-	-	-	-	-	-	-	1,481
Balance as at the end of the financial year	161,693	(6)	32,463	-	-	-	-	-	194,150
Equity interest attributable to net assets	64,677	(2)	45,000	-	-	-	-	-	109,675
Accumulated impairment losses	-	-	(45,000)	-	-	-	-	-	(45,000)
Carrying value	64,677	(2)	-	-	-	-	-	-	64,675
2024									
Balance as at the beginning of the financial year	119,324	109	32,463	17,556	-	-	-	-	169,452
Capital injection/acquisition	92,000	-	-	-	6,186	9,887	5,124	6,047	119,244
Disposal during the financial year	-	-	-	(3,671)	-	-	-	-	(3,671)
Net (loss)/profit for the financial year	(68,199)	17	-	2,044	14	213	28	18	(65,865)
Translation reserves	-	72	-	-	-	-	-	-	72
Balance as at the end of the financial year	143,125	198	32,463	15,929	6,200	10,100	5,152	6,065	219,232
Equity interest attributable to net assets	57,250	66	45,000	7,361	1,514	4,506	1,258	2,580	119,535
Accumulated impairment losses	-	-	(45,000)	-	-	-	-	-	(45,000)
Carrying value	57,250	66	-	7,361	1,514	4,506	1,258	2,580	74,535

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

17 RIGHT-OF-USE ASSETS

	Note	Properties RM'000	Equipment RM'000	Others RM'000	Total RM'000
Group					
2025					
Balance as at the beginning of the financial year		130,480	212	11,365	142,057
Depreciation charge for the financial year		(56,417)	(79)	(9,604)	(66,100)
Additions		38,403	54	4,539	42,996
Modification		(998)	-	-	(998)
Exchange differences		(6,221)	(4)	(144)	(6,369)
Balance as at the end of the financial year		105,247	183	6,156	111,586
2024					
Balance as at the beginning of the financial year		129,540	474	12,749	142,763
Depreciation charge for the financial year		(59,877)	(155)	(10,087)	(70,119)
Additions		65,340	70	9,053	74,463
Disposal of subsidiaries		(1,377)	(9)	(64)	(1,450)
Modification		(1,295)	(157)	(40)	(1,492)
Exchange differences		(1,851)	(11)	(246)	(2,108)
Balance as at the end of the financial year		130,480	212	11,365	142,057
Bank					
2025					
Balance as at the beginning of the financial year		68,813	79	11,363	80,255
Depreciation charge for the financial year	40	(47,861)	(28)	(9,604)	(57,493)
Additions		58,920	-	4,540	63,460
Modification		49	-	-	49
Exchange differences		(1,270)	(2)	(144)	(1,416)
Balance as at the end of the financial year		78,651	49	6,155	84,855
2024					
Balance as at the beginning of the financial year		75,793	110	12,486	88,389
Depreciation charge for the financial year	40	(45,288)	(28)	(9,832)	(55,148)
Additions		39,990	-	8,949	48,939
Modification		(338)	-	-	(338)
Exchange differences		(1,344)	(3)	(240)	(1,587)
Balance as at the end of the financial year		68,813	79	11,363	80,255

18 PROPERTY, PLANT AND EQUIPMENT

	Note	Land RM'000	Buildings RM'000	Renovations and improvements RM'000	Computer equipment RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
Group 2025								
Cost								
Balance as at the beginning of the financial year		349,617	486,651	534,850	1,109,048	359,286	17,847	2,857,299
Addition		-	-	28,517	87,169	11,537	2,259	129,482
Disposals		-	(258)	-	(179)	(10)	(1,487)	(1,934)
Written off		-	-	(24,664)	(57,065)	(29,077)	(106)	(110,912)
Reclassification to intangible assets	20	-	-	-	(2,563)	(3,505)	-	(6,068)
Exchange differences		(5,366)	(3,076)	(5,882)	(11,003)	(5,836)	(1,102)	(32,265)
Balance as at the end of the financial year		344,251	483,317	532,821	1,125,407	332,395	17,411	2,835,602
Accumulated depreciation								
Balance as at the beginning of the financial year		13,242	262,795	396,343	849,455	302,037	14,432	1,838,304
Charge for the financial year		430	10,549	24,919	86,824	15,010	1,532	139,264
Disposals		-	(133)	-	(174)	(10)	(1,332)	(1,649)
Written off		-	-	(24,532)	(56,941)	(29,042)	(106)	(110,621)
Reclassification (to)/from intangible assets	20	-	-	(3)	7	(12)	-	(8)
Exchange differences		(171)	(1,437)	(4,698)	(7,595)	(5,282)	(918)	(20,101)
Balance as at the end of the financial year		13,501	271,774	392,029	871,576	282,701	13,608	1,845,189
Accumulated impairment loss								
Balance as at the beginning of the financial year		-	718	-	-	-	-	718
Exchange differences		-	(38)	-	-	-	-	(38)
Balance as at the end of the financial year		-	680	-	-	-	-	680
Net book value as at the end of the financial year		330,750	210,863	140,792	253,831	49,694	3,803	989,733

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

18 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Land RM'000	Buildings RM'000	Renovations and improvements RM'000	Computer equipment RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
Group								
2024								
Cost								
Balance as at the beginning of the financial year		358,368	492,818	588,240	1,083,596	426,613	20,472	2,970,107
Additions		-	-	21,591	93,269	18,870	764	134,494
Disposals		(563)	(1,970)	(5,325)	(3,969)	(2,644)	(2,211)	(16,682)
Disposal of subsidiaries		-	-	(182)	(14,346)	(14,077)	(745)	(29,350)
Written off		-	-	(65,418)	(44,708)	(51,404)	(274)	(161,804)
Reclassification (to)/from intangible assets	20	-	-	(1,197)	1,258	(14,033)	-	(13,972)
Exchange differences		(8,188)	(4,197)	(2,859)	(6,052)	(4,039)	(159)	(25,494)
Balance as at the end of the financial year		349,617	486,651	534,850	1,109,048	359,286	17,847	2,857,299
Accumulated depreciation								
Balance as at the beginning of the financial year		13,069	255,080	439,160	825,862	354,380	15,625	1,903,176
Charge for the financial year		441	10,658	29,524	90,001	18,644	2,031	151,299
Disposals		(19)	(969)	(4,927)	(3,898)	(2,608)	(2,073)	(14,494)
Disposal of subsidiaries		-	-	(82)	(11,880)	(13,735)	(745)	(26,442)
Written off		-	-	(65,399)	(44,650)	(51,337)	(274)	(161,660)
Reclassification to intangible assets	20	-	-	-	(28)	-	-	(28)
Exchange differences		(249)	(1,974)	(1,933)	(5,952)	(3,307)	(132)	(13,547)
Balance as at the end of the financial year		13,242	262,795	396,343	849,455	302,037	14,432	1,838,304
Accumulated impairment loss								
Balance as at the beginning of the financial year		-	730	-	-	-	-	730
Charge for the financial year	43	-	-	-	148	-	-	148
Disposal of subsidiaries		-	-	-	(148)	-	-	(148)
Exchange differences		-	(12)	-	-	-	-	(12)
Balance as at the end of the financial year		-	718	-	-	-	-	718
Net book value as at the end of the financial year		336,375	223,138	138,507	259,593	57,249	3,415	1,018,277

18 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Land RM'000	Buildings RM'000	Renovations and improvements RM'000	Computer equipment RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
Bank								
2025								
Cost								
Balance as at the beginning of the financial year		209,492	440,256	419,976	941,754	253,231	6,509	2,271,218
Additions		-	-	25,660	80,436	9,212	1,740	117,048
Disposals		-	(258)	-	(13)	-	(961)	(1,232)
Written off		-	-	(23,745)	(54,770)	(27,858)	(102)	(106,475)
Exchange differences		(77)	(1,200)	(1,624)	(3,125)	(346)	(79)	(6,451)
Balance as at the end of the financial year		209,415	438,798	420,267	964,282	234,239	7,107	2,274,108
Accumulated depreciation								
Balance as at the beginning of the financial year		6,623	246,840	296,961	709,818	219,233	4,799	1,484,274
Charge for the financial year	40	220	9,278	21,591	76,863	12,150	944	121,046
Disposals		-	(133)	-	(11)	-	(807)	(951)
Written off		-	-	(23,683)	(54,766)	(27,821)	(102)	(106,372)
Exchange differences		-	(920)	(1,129)	(2,773)	(269)	(73)	(5,164)
Balance as at the end of the financial year		6,843	255,065	293,740	729,131	203,293	4,761	1,492,833
Accumulated impairment loss								
Balance as at the beginning of the financial year		-	304	-	-	-	-	304
Balance as at the end of the financial year		-	304	-	-	-	-	304
Net book value as at the end of the financial year		202,572	183,429	126,527	235,151	30,946	2,346	780,971

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

18 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Land RM'000	Buildings RM'000	Renovations and improvements RM'000	Computer equipment RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
Bank								
2024								
Cost								
Balance as at the beginning of the financial year		210,172	444,057	464,715	901,377	287,245	7,576	2,315,142
Additions		-	-	21,077	83,942	12,880	-	117,899
Disposals		(563)	(1,970)	(174)	(9)	(158)	(677)	(3,551)
Written off		-	-	(60,861)	(39,205)	(46,405)	(270)	(146,741)
Reclassification (to)/from intangible assets	20	-	-	(2,015)	101	209	-	(1,705)
Exchange differences		(117)	(1,831)	(2,766)	(4,452)	(540)	(120)	(9,826)
Balance as at the end of the financial year		209,492	440,256	419,976	941,754	253,231	6,509	2,271,218
Accumulated depreciation								
Balance as at the beginning of the financial year		6,418	239,838	335,007	674,875	251,184	5,087	1,512,409
Charge for the financial year	40	224	9,332	24,785	77,890	15,001	743	127,975
Disposals		(19)	(969)	(174)	(9)	(158)	(677)	(2,006)
Written off		-	-	(60,841)	(39,202)	(46,400)	(270)	(146,713)
Reclassification to intangible assets	20	-	-	-	(28)	-	-	(28)
Exchange differences		-	(1,361)	(1,816)	(3,708)	(394)	(84)	(7,363)
Balance as at the end of the financial year		6,623	246,840	296,961	709,818	219,233	4,799	1,484,274
Accumulated impairment loss								
Balance as at the beginning of the financial year		-	304	-	-	-	-	304
Balance as at the end of the financial year		-	304	-	-	-	-	304
Net book value as at the end of the financial year		202,869	193,112	123,015	231,936	33,998	1,710	786,640

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Accumulated depreciation and impairment loss				
Balance as at the beginning of the financial year	1,839,022	1,903,906	1,484,578	1,512,713
Balance as at the end of the financial year	1,845,869	1,839,022	1,493,137	1,484,578

The above property, plant and equipment includes the following assets under construction:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost				
Renovations and improvements	22,541	13,376	22,541	13,376

As at 31 December 2025, included in the carrying value of land of the Group and the Bank are right-of-use assets relating to leasehold property amounting to RM138,246,000 (2024: RM143,795,000) and RM10,914,000 (2024: RM11,133,000) respectively.

19 GOODWILL

The carrying amounts of goodwill allocated to the Group and the Bank's CGU are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CGU				
Group Community Banking	340,615	488,053	292,837	432,659
Group Corporate and Business Banking	527,896	-	506,013	-
Group Wholesale Banking	1,664,495	2,044,953	916,063	1,282,254
- Group Corporate Banking and Group Investment Banking ('CBIB')	-	1,147,547	-	412,634
- Group Treasury and Global Markets	-	897,406	-	869,620
Commercial Bank Cambodia	116,301	116,301	-	-
	2,649,307	2,649,307	1,714,913	1,714,913

Reallocation of goodwill

The Group has on 1 May 2025 set up Group Corporate and Business Banking ('GCBB'), which consolidates Group Corporate Banking, Group Commercial Banking and Group Small Medium Enterprise ('SME') Banking under a unified structure. As part of this strategic realignment, Group SME Banking which was previously under Group Community Banking ('GCB'), and Group Corporate Banking and Group Commercial Banking, which were formerly under Group Wholesale Banking ('GWB'), are currently consolidated and monitored under GCBB, reporting to the Managing Director of GCBB.

With the integration of Group Corporate Banking and Group Commercial Banking into GCBB, the performance and strategy of Group Investment Banking and Group Treasury and Global Markets will now be monitored as part of GWB, and they will report to the Managing Director of GWB. Therefore, there is a change in the way that GWB CGU is monitored.

In accordance with MFRS 136 'Impairment of Assets', if an entity reorganises its reporting structure in a way that changes the composition of one or more CGUs to which goodwill has been allocated, the goodwill shall be reassigned to the affected units based on relative value approach. In view thereof, the goodwill of RM147.4 million and RM139.8 million previously recognised under GCB for the Group and the Bank respectively, and the goodwill of RM380.5 million and RM366.2 million under CBIB for the Group and the Bank respectively, have been reallocated to GCBB, based on the relative value method.

Goodwill impairment assessment

Goodwill is tested for impairment annually or more frequently if events, or changes in circumstances indicate that it might be impaired. The recoverable amount of a CGU is determined based on the higher of value in use ('VIU') and fair value less cost of disposal ('FVLCD'). The VIU calculations use pre-tax cash flow projections based on financial budgets or projections approved by the Directors covering a three-year (2024: three-year) period. Cash flows beyond the three-year period are extrapolated using the estimated terminal growth rates and discounted using pre-tax discount rates which reflect the specific risks relating to the CGU. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates. The FVLCD uses the indicative price to book value ('PBV') from comparable commercial banks, net of cost of disposal and falls within Level 3 of the fair value hierarchy.

The cash flow projections are derived based on a number of key factors including the past performance and the management's expectations of the market developments.

The discount rates used are pre-tax and reflect specific risks relating to the relevant CGU.

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

19 GOODWILL (CONTINUED)

The estimated terminal growth rates and discount rates used for value in use calculation (except for Commercial Bank Cambodia of which recoverable amount has been determined based on FVLCD) are as follows:

	Discount rate		Terminal growth rate	
	2025 %	2024 %	2025 %	2024 %
CGU				
GCB	8.5	8.5	5.2	5.3
GCBB	8.5	-	5.2	-
GWB	8.3	-	5.2	-
- Group CBIB	-	8.5	-	5.3
- Group Treasury and Global Markets	-	8.4	-	5.3

FVLCD is based on comparable indicative PBV from comparable commercial banks and a control premium from selling the equity stakes with adjusted discount for lack of marketability.

Impairment is not required for goodwill arising from all CGU. Management believes that any reasonable possible change to the assumptions applied (including those used in preparing the cash flows projection, growth rates, discount rates, indicative PBV and control premium) is not likely to cause the recoverable amount of all the CGU to be lower than its carrying amount.

20 INTANGIBLE ASSETS

	Note	Customer relationship RM'000	Trading rights and memberships RM'000	Computer software license RM'000	Total RM'000
Group					
2025					
Cost					
Balance as at the beginning of the financial year		5,659	-	2,489,573	2,495,232
Additions		-	-	174,433	174,433
Written off		-	-	(6,325)	(6,325)
Reclassification from property, plant and equipment	18	-	-	6,068	6,068
Exchange differences		-	-	(13,570)	(13,570)
Balance as at the end of the financial year		5,659	-	2,650,179	2,655,838
Accumulated amortisation					
Balance as at the beginning of the financial year		5,659	-	1,651,289	1,656,948
Amortisation for the financial year		-	-	196,438	196,438
Written off		-	-	(5,998)	(5,998)
Reclassification from property, plant and equipment	18	-	-	8	8
Exchange differences		-	-	(9,952)	(9,952)
Balance as at the end of the financial year		5,659	-	1,831,785	1,837,444
Net book value as at the end of the financial year		-	-	818,394	818,394

20 INTANGIBLE ASSETS (CONTINUED)

	Note	Customer relationship RM'000	Trading rights and memberships RM'000	Computer software license RM'000	Total RM'000
Group					
2024					
Cost					
Balance as at the beginning of the financial year		5,659	2,228	2,351,981	2,359,868
Additions		-	-	207,366	207,366
Disposals		-	-	(2,704)	(2,704)
Disposal of subsidiaries		-	(2,189)	(9,131)	(11,320)
Written off		-	-	(62,958)	(62,958)
Reclassification from property, plant and equipment	18	-	-	13,972	13,972
Exchange differences		-	(39)	(8,953)	(8,992)
Balance as at the end of the financial year		5,659	-	2,489,573	2,495,232
Accumulated amortisation					
Balance as at the beginning of the financial year		5,659	994	1,540,040	1,546,693
Amortisation for the financial year		-	-	188,666	188,666
Disposals		-	-	(2,704)	(2,704)
Disposal of subsidiaries		-	(978)	(6,278)	(7,256)
Written off		-	-	(62,237)	(62,237)
Reclassification from property, plant and equipment	18	-	-	28	28
Exchange differences		-	(16)	(6,226)	(6,242)
Balance as at the end of the financial year		5,659	-	1,651,289	1,656,948
Accumulated impairment loss					
Balance as at the beginning of the financial year		-	-	-	-
Charge for the financial year	43	-	1,212	428	1,640
Disposal of subsidiaries		-	(1,212)	(428)	(1,640)
Balance as at the end of the financial year		-	-	-	-
Net book value as at the end of the financial year		-	-	838,284	838,284

Notes To The Financial Statements

For The Financial Year Ended 31 December 2025

20 INTANGIBLE ASSETS (CONTINUED)

	Note	Computer software license	
		2025 RM'000	2024 RM'000
Bank			
Cost			
Balance as at the beginning of the financial year		2,163,982	2,030,221
Additions		158,969	194,449
Written off		(3,504)	(54,194)
Reclassification from property, plant and equipment	18	-	1,705
Exchange differences		(5,943)	(8,199)
Balance as at the end of the financial year		2,313,504	2,163,982
Accumulated amortisation			
Balance as at the beginning of the financial year		1,421,624	1,321,713
Amortisation for the financial year	40	168,829	160,324
Written off		(3,504)	(54,194)
Reclassification from property, plant and equipment	18	-	28
Exchange differences		(4,744)	(6,247)
Balance as at the end of the financial year		1,582,205	1,421,624
Net book value as at the end of the financial year		731,299	742,358

21 DEPOSITS FROM CUSTOMERS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) By type of deposits				
Demand deposits	62,927,137	55,543,077	45,902,807	42,423,552
Savings deposits	13,949,840	13,314,103	10,651,571	10,227,100
Fixed/investment deposits	175,602,849	180,437,836	95,037,053	102,157,671
Negotiable instruments of deposits	57,373	270,454	57,373	270,454
	252,537,199	249,565,470	151,648,804	155,078,777
(b) By type of customer				
Government and statutory bodies	19,533,736	22,368,885	1,674,729	4,862,377
Business enterprises	109,739,181	111,203,847	65,538,143	70,484,618
Individuals	114,237,757	107,451,202	76,121,828	71,845,508
Other	9,026,525	8,541,536	8,314,104	7,886,274
	252,537,199	249,565,470	151,648,804	155,078,777
(c) By maturity structure of fixed/investment deposits and negotiable instruments of deposits				
Due within six months	145,992,611	143,713,661	80,374,962	82,457,934
More than six months to one year	27,967,328	33,561,329	14,500,581	18,053,660
More than one year to three years	1,676,539	3,361,973	204,758	1,902,379
More than three years to five years	23,744	71,327	14,125	14,152
	175,660,222	180,708,290	95,094,426	102,428,125

22 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Licensed banks		24,107,120	20,670,159	26,252,850	22,656,430
Licensed Islamic banks		720,465	92,030	333	5,175
Licensed investment banks		62,910	-	1,087,681	895,514
BNM/Other central banks	(a)	5,771,652	5,971,101	4,888,480	4,949,848
Other financial institutions		355,680	471,731	253,839	307,709
		31,017,827	27,205,021	32,483,183	28,814,676

- (a) Included in deposits and placements by BNM/other central banks are amounts received under the Government scheme as part of the COVID-19 relief measures for the purpose of lending/financing to SMEs at a concessionary rate and with maturity period ranging between five to nine years.

23 OBLIGATIONS ON SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Obligations on securities sold under repurchase agreements are securities which the Group and the Bank have sold from its portfolio, with a commitment to repurchase at future dates. Such financing and the obligations to repurchase the securities are reflected as a liability on the statements of financial position.

24 INVESTMENT ACCOUNTS

	Group	
	2025 RM'000	2024 RM'000
Mudharabah Restricted Investment Account	-	564,073
Wakalah Unrestricted Investment Account	11,004	694,731
	11,004	1,258,804

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

24 INVESTMENT ACCOUNTS (CONTINUED)

Group	2025			2024		
	Mudharabah Restricted Investment Account RM'000	Wakalah Unrestricted Investment Account RM'000	Total RM'000	Mudharabah Restricted Investment Account RM'000	Wakalah Unrestricted Investment Account RM'000	Total RM'000
(a) Movement in investment accounts						
Funding inflows/(outflows) – Principal:						
Balance as at the beginning of the financial year	449,991	685,100	1,135,091	421,166	13,500	434,666
New placement during the financial year	-	617,446	617,446	-	722,642	722,642
Accretion during the financial year	-	-	-	28,825	-	28,825
Redemption during the financial year	(449,991)	(1,291,546)	(1,741,537)	-	(51,042)	(51,042)
Balance as at the end of the financial year	-	11,000	11,000	449,991	685,100	1,135,091
Profit attributable to investment account holders – Total profit payable:						
Balance as at the beginning of the financial year	114,082	9,631	123,713	73,008	100	73,108
Profit distributed to investment account holders during the financial year	29,774	15,914	45,688	41,074	10,625	51,699
Profit paid to investment account holders during the financial year	(143,856)	(25,541)	(169,397)	-	(1,094)	(1,094)
Balance as at the end of the financial year	-	4	4	114,082	9,631	123,713
Net balance as at the end of the financial year	-	11,004	11,004	564,073	694,731	1,258,804
(b) Investment assets (principal)						
- Personal financing	-	8,800	8,800	-	548,080	548,080
- Housing financing	-	2,200	2,200	-	137,020	137,020
- Unquoted securities	-	-	-	449,991	-	449,991
	-	11,000	11,000	449,991	685,100	1,135,091
(c) Type of customer						
- Licensed banks	-	-	-	564,073	-	564,073
- Business enterprises	-	11,004	11,004	-	694,731	694,731
	-	11,004	11,004	564,073	694,731	1,258,804

Group	2025			2024		
	Average profit sharing ratio %	Average rate of return %	Performance incentive fee %	Average profit sharing ratio %	Average rate of return %	Performance incentive fee %
(d) Maturity profile, profit sharing and rate of return						
(i) Mudharabah restricted investment account						
- More than five years	-	-	-	100	6.88	-
(ii) Wakalah unrestricted investment account						
- Below one year	9.35	3.58	5.77	8.83	3.94	4.89

25 CLIENTS' AND BROKERS' BALANCES

	Group	
	2025 RM'000	2024 RM'000
Amounts due to:		
- Clients	767,399	813,291
- Brokers	80,101	20,675
- Clearing houses and stock exchanges	1,239	7,749
	848,739	841,715

26 OTHER LIABILITIES

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other creditors and accruals		1,646,433	1,577,368	818,379	1,068,272
Amount payable for redemption units		104,888	172,974	-	-
Contract liabilities	(a)	1,213,072	40,177	540,171	-
Short-term employee benefits		427,445	389,888	288,638	301,993
Accrual for operational expenses		183,560	171,453	102,066	125,999
Cash collateral pledged for derivative transactions		707,120	409,625	621,796	376,732
Structured deposits	(b)	4,589,456	3,261,109	3,407,154	2,261,689
Remisiers' deposits		84,876	88,569	-	-
Puttable financial instruments		112,512	107,725	-	-
Amount payable for creation of units due to funds		157,567	219,000	-	-
Amount due to subsidiaries	(c)	-	-	8,628	2,577
		9,226,929	6,437,888	5,786,832	4,137,262

(a) Contract liabilities represent fee income and fee advances received from a 20-year bancassurance/bancatakaful partnership and will be amortised as revenue in the income statements over the term of the agreement. During the current financial year, an amount of RM55,160,000 and RM10,960,000 (2024: RM66,998,000 and RM21,000,000) for the Group and the Bank respectively have been recognised in the income statements.

(b) The maturity structure of structured deposits are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Within one year	829,951	347,453	829,951	347,453
More than one year to three years	385,125	348,769	359,588	320,196
More than three years	3,374,380	2,564,887	2,217,615	1,594,040
	4,589,456	3,261,109	3,407,154	2,261,689

(c) Amount due to subsidiaries are unsecured, interest-free and repayable within the normal credit period.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

27 RECOURSE OBLIGATION ON LOANS SOLD TO CAGAMAS BERHAD ('CAGAMAS')

Recourse obligation on loans sold to Cagamas represents those acquired from the originators and sold to Cagamas with recourse. Under the agreement, the Group and the Bank undertake to administer the loans on behalf of Cagamas and to buy back any loans which are regarded as defective based on pre-determined and agreed-upon prudential criteria with recourse against the originators. Such financing transactions and the obligation to buy back the loans are reflected as a liability on the statements of financial position. The loans are not derecognised from the statements of financial position.

28 PROVISION FOR TAXATION AND ZAKAT

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Tax expense	84,704	88,577	4,684	20,904
Zakat	13,000	12,000	-	-
	97,704	100,577	4,684	20,904

29 LEASE LIABILITIES

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Lease liabilities	122,306	150,916	88,054	81,823
Scheduled repayment of lease liabilities:				
- Within one year	56,518	60,153	44,729	44,225
- More than one year to three years	38,474	48,991	41,787	33,439
- More than three years	27,314	41,772	1,538	4,159
	122,306	150,916	88,054	81,823

30 BORROWINGS

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unsecured					
Term loan:					
- United States Dollar ('USD')	(a(i))	2,828,982	2,221,676	1,913,126	1,435,654
- Singapore Dollar ('SGD')	(a(ii))	315,587	328,616	315,587	328,616
Promissory notes:					
- Indonesia Rupiah ('IDR')	(b)	40,223	72,215	-	-
Commercial paper	(c)	1,959,619	-	1,959,619	-
		5,144,411	2,622,507	4,188,332	1,764,270
Scheduled repayment of borrowings					
Term loan:					
- Within one year		315,587	1,237,262	315,587	451,240
- More than one year to three years		2,828,982	1,313,030	1,913,126	1,313,030
		3,144,569	2,550,292	2,228,713	1,764,270
Promissory notes:					
- Within one year		40,223	72,215	-	-
Commercial paper:					
- Within one year		1,959,619	-	1,959,619	-
		5,144,411	2,662,507	4,188,332	1,764,270

The borrowings of the Group and the Bank are as follows:

(a) Term loan

(i) The USD term loan of the Group and the Bank bear interest at rates ranging from 4.40% to 5.22% (2024: 5.19% to 6.22%) and 4.40% to 5.22% (2024: 5.19% to 6.20%) per annum respectively.

(ii) The SGD term loan of the Group and the Bank bear interest at rates ranging from 1.71% to 3.12% (2024: 3.39% to 4.17%) per annum.

(b) Promissory notes

The IDR promissory notes of the Group bears interest at rates ranging from 5.25% to 6.95% (2024: 6.40% to 7.00%) per annum.

(c) Commercial paper

The commercial papers of the Group and the Bank bear interest rate ranging from 3.30% to 3.37% per annum.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

31 SENIOR DEBT SECURITIES

	Note	Group and Bank	
		2025 RM'000	2024 RM'000
(i) Issued under the USD5 billion (or its equivalent in other currencies) Euro Medium Term Programme:			
- USD500 million 1.658% senior debt securities due in 2026	(a)	2,028,923	2,233,637
- AUD75 million 4.831% senior debt securities due in 2026	(b)	205,274	209,569
(ii) Issued under the RM10 billion (or its equivalent in other currencies) Multi-Currency Islamic Medium Term Notes Programme:			
- RM300 million 2.85% senior Sukuk Murabahah due in 2025	(c)	-	301,660
- RM1,500 million 3.95% senior Sukuk Murabahah due in 2026	(d)	1,505,874	1,505,549
- RM1,500 million 4.38% senior Sukuk Murabahah due in 2028	(e)	1,507,717	1,507,415
- RM200 million 3.84% senior Sukuk Murabahah due in 2029	(f)	201,431	201,474
- RM400 million 3.96% senior Sukuk Murabahah due in 2031	(g)	402,942	403,044
- RM200 million 3.99% senior Sukuk Murabahah due in 2034	(h)	201,477	201,534
- RM900 million 3.81% senior Sukuk Murabahah due in 2032	(i)	899,733	-
(iii) Issued under the RM10 billion (or its equivalent in other currencies) Multi-Currency Note Programme:			
- RM50 million 3.99% senior debt securities due in 2030	(j)	50,809	-
		7,004,180	6,563,882
Fair value changes arising from fair value hedges		15,773	9,977
		7,019,953	6,573,859

Details of outstanding senior debt securities as at 31 December 2025 are as follows:

	Issuance date	Principal	Maturity date	Interest rate	Interest payment
(a)	29 June 2021	USD500 million	29 June 2026	1.66% per annum	Accrued and payable semi-annually in arrears
(b)	16 April 2024	AUD75 million	16 April 2026	4.83% per annum	Accrued and payable semi-annually in arrears
(c)	20 October 2020	RM300 million	17 October 2025	2.85% per annum	Accrued and payable semi-annually in arrears
(d)	25 May 2023	RM1,500 million	25 May 2026	3.95% per annum	Accrued and payable semi-annually in arrears
(e)	17 November 2023	RM1,500 million	17 November 2028	4.38% per annum	Accrued and payable semi-annually in arrears
(f)	18 October 2024	RM200 million	18 October 2029	3.84% per annum	Accrued and payable semi-annually in arrears
(g)	18 October 2024	RM400 million	17 October 2031	3.96% per annum	Accrued and payable semi-annually in arrears
(h)	18 October 2024	RM200 million	18 October 2034	3.99% per annum	Accrued and payable semi-annually in arrears
(i)	30 June 2025	RM900 million	30 June 2032	3.81% per annum	Accrued and payable semi-annually in arrears
(j)	6 February 2025	RM50 million	31 January 2030	3.99% per annum	Accrued and payable semi-annually in arrears

32 SUBORDINATED OBLIGATIONS

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
4.06% RM250 million Tier II Subordinated Sukuk Murabahah 2022/2032	(a(i))	252,002	252,002	-	-
4.00% RM500 million Tier II Subordinated Sukuk Murabahah 2024/2034	(a(ii))	502,278	502,337	-	-
3.35% RM500 million Tier II Subordinated Notes 2020/2030	(b(i))	-	501,542	-	501,542
3.13% RM500 million Tier II Subordinated Notes 2020/2030	(b(ii))	-	501,708	-	501,708
3.65% RM500 million Tier II Subordinated Notes 2021/2031	(b(iii))	503,232	503,176	503,232	503,176
4.40% RM500 million Tier II Subordinated Notes 2022/2032	(b(iv))	505,587	505,484	505,587	505,484
4.45% RM100 million Tier II Subordinated Notes 2022/2032	(b(v))	101,085	101,085	-	-
4.51% RM500 million Tier II Subordinated Notes 2023/2033	(b(vi))	510,039	510,121	510,039	510,121
3.93% RM500 million Tier II Subordinated Notes 2025/2037	(b(vii))	499,855	-	499,855	-
3.83% RM375 million Tier II Subordinated Notes 2025/2035	(b(viii))	376,338	-	376,338	-
3.93% RM125 million Tier II Subordinated Notes 2025/2037	(b(ix))	125,458	-	125,458	-
		3,375,874	3,377,455	2,520,509	2,522,031
Fair value changes arising from fair value hedges		5,998	2,813	-	-
		3,381,872	3,380,268	2,520,509	2,522,031

The subordinated obligations comprise unsecured liabilities of the Bank and its investment bank and islamic bank subsidiaries and are subordinated to the senior indebtedness in accordance with their respective terms and conditions of issuance and qualify as Tier II capital as disclosed in Note 54 for the purpose of determining the capital adequacy ratios of the Bank and the respective subsidiaries.

(a) Tier II Subordinated Sukuk Murabahah

Tranche	Principal RM'million	Maturity date	Interest rate	Interest payment
(i) 2022/2032	250	21 April 2032 (callable in 2027)	4.06% per annum chargeable to 21 April 2032	Accrued and payable semi-annually in arrears
(ii) 2024/2034	500	15 May 2034 (callable in 2029)	4.00% per annum chargeable to 15 May 2034	Accrued and payable semi-annually in arrears

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

32 SUBORDINATED OBLIGATIONS (CONTINUED)

(b) Tier II Subordinated Notes

Tranche	Principal RM'million	Maturity date	Interest rate	Interest payment
(i) 2020/2030	500	28 May 2030 (Fully redeemed on 28 May 2025)	3.35% per annum chargeable to 28 May 2030	Accrued and payable semi-annually in arrears
(ii) 2020/2030	500	20 November 2030 (Fully redeemed on 20 November 2025)	3.13% per annum chargeable to 20 November 2030	Accrued and payable semi-annually in arrears
(iii) 2021/2031	500	28 April 2031 (Callable in 2026)	3.65% per annum chargeable to 28 April 2031	Accrued and payable semi-annually in arrears
(iv) 2022/2032	500	28 September 2032 (Callable in 2027)	4.40% per annum chargeable to 28 September 2032	Accrued and payable semi-annually in arrears
(v) 2022/2032	100	1 October 2032 (Callable in 2027)	4.45% per annum chargeable to 1 October 2032	Accrued and payable semi-annually in arrears
(vi) 2023/2033	500	19 January 2033 (Callable in 2028)	4.51% per annum chargeable to 19 January 2033	Accrued and payable semi-annually in arrears
(vii) 2025/2037	500	30 June 2037 (Callable in 2032)	3.93% per annum chargeable to 30 June 2037	Accrued and payable semi-annually in arrears
(viii) 2025/2035	375	28 November 2035 (Callable in 2030)	3.83% per annum chargeable to 28 November 2035	Accrued and payable semi-annually in arrears
(ix) 2025/2037	125	27 November 2037 (Callable in 2032)	3.93% per annum chargeable to 27 November 2037	Accrued and payable semi-annually in arrears

33 SHARE CAPITAL

	Note	Group and Bank			
		2025		2024	
		Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid:					
Ordinary shares					
Balance as at the beginning of the financial year		4,359,490	8,687,255	4,286,348	8,330,324
Shares issued under SGS:					
- Issued on 3 July 2025	(a)	2,424	13,842	-	-
Shares issued under DRP:					
- Issued on 16 May 2024	(b)	-	-	73,142	356,931
Balance as at the end of the financial year		4,361,914	8,701,097	4,359,490	8,687,255

On 17 December 2020, the Bank announced that as part of its capital management plan and to enhance the Bank's shareholders' value, the Bank had proposed to undertake a dividend reinvestment plan that provides the shareholders with the option to elect to reinvest their cash dividend declared by the Bank into new ordinary shares of the Bank ('RHB Bank Shares'), hereinafter referred to as Dividend Reinvestment Plan ('DRP'). Approval from shareholders for the DRP and the issuance of new shares arising from the DRP was obtained at the Annual General Meeting held on 25 May 2021.

The DRP further provides that whenever a cash dividend (either an interim, final, special or other dividend) is proposed, the Board may, in its absolute discretion, determine that the DRP to be applied to the whole or a portion of the cash dividend and where applicable, any remaining portion of the dividend will be paid in cash.

33 SHARE CAPITAL (CONTINUED)

During the current financial year, the Bank increased its issued and paid up share capital from:

- (a) RM8,687,254,584 to RM8,701,096,766 on 3 July 2025 via the issuance of 2,424,200 new ordinary shares at RM5.71 per share arising from the exercise of vested SGS awarded on 4 July 2022.

In respect of the financial year ended 31 December 2024, the Bank increased its issued and paid up share capital from:

- (b) RM8,330,324,313 to RM8,687,254,584 on 16 May 2024 via the issuance of 73,141,449 new RHB Bank Shares at RM4.88 per share arising from the DRP relating to the single-tier second interim dividend of 25.0 sen per share in respect of the financial year ended 31 December 2023, of which the shareholders may elect to reinvest up to 10.0 sen per RHB Bank Share.

The new ordinary shares issued during the financial years rank *pari passu* in all respects with the existing shares of the Bank.

34 RESERVES

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Statutory reserves	(a)	102,181	112,375	-	-
Regulatory reserves	(b)	1,839,460	1,688,697	1,015,482	1,038,167
FVOCI reserves	(c)	712,267	193,087	647,514	185,905
Translation reserves	(d)	273,828	632,846	349,201	434,060
Other reserves		25,975	25,975	-	-
Share-based payment reserves	(e)	36,989	35,588	36,989	35,588
Retained profits		22,454,321	21,116,396	15,547,208	14,630,221
		25,445,021	23,804,964	17,596,394	16,323,941

- (a) Statutory reserves represent non-distributable profits held by:

- (i) The commercial banking subsidiary in Cambodia in compliance with the provision of Prakas No. B7-010-182 dated 15 October 2010 on Bank's Net-Worth Calculation, Prakas No. B7-07-134 dated 27 August 2007 and Letter No. B7-020-868 dated 10 June 2020 on the monitoring of Banks' and Financial Institutions' Net Open Position in foreign currency and Prakas No. B7-018-068 dated 22 February 2018 on the determination of capital buffers of banks and financial institutions issued by the National Bank of Cambodia; and
- (ii) The commercial banking subsidiary in Lao in accordance with (Revised) Enterprise Law No. 33/NA dated 29 December 2022 where the subsidiary shall annually provide ten percent of its net profit into the reserve fund, after deducting its accumulated losses. When this reserve fund accumulates half of registered capital, the subsidiary may suspend the deduction, unless otherwise provided by Law of Limited Company in Lao.

- (b) Regulatory reserves are maintained by the Bank and its banking subsidiaries in Malaysia and Cambodia:

- (i) The regulatory reserves in Malaysia is in compliance with BNM's Revised Policy Documents on Financial Reporting and Financial Reporting for Islamic Banking Institutions with effect from 29 April 2022, whereby the Bank and its domestic banking subsidiaries must maintain, in aggregate, loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures; and
- (ii) The regulatory reserves in Cambodia is in line with the requirements of Prakas No. B7-017-344, Circular B7-018-001 and Circular B7-021-2314 issued by the National Bank of Cambodia.

- (c) FVOCI reserves represent the cumulative gains and losses arising on the revaluation of investments in equity instruments designated as FVOCI, net of cumulative gain/loss transferred to retained earnings upon disposal and investments in debt instruments classified as FVOCI, net of cumulative loss allowance recognised on these investments and cumulative gain/loss reclassified to income statements upon disposal or reclassification of these investments.

- (d) Translation reserves comprise all foreign exchange differences from the translation of the financial statements of foreign operations, subsidiaries and associates, and the effect of the effective portion of net investment hedges.

- (e) Share-based payment reserves arose from the shares granted to eligible executives of the Group and the Bank pursuant to the SGS. Terms of the SGS are disclosed in Note 52.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

35 NON-CONTROLLING INTERESTS ('NCI')

	Group	
	2025 RM'000	2024 RM'000
Balance as at the beginning of the financial year	39,145	36,497
Share of profit during the financial year	5,624	3,904
Actuarial gain on defined benefit plan of subsidiaries, net of tax	1	7
Dividends paid	(530)	(1,060)
Disposal of a subsidiary	-	(49)
Exchange differences	(254)	(154)
Balance as at the end of the financial year	43,986	39,145

36 INTEREST INCOME

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loans and advances	7,021,010	7,344,894	6,544,617	6,791,758
Money at call and deposits and placements with banks and other financial institutions	183,550	223,174	573,013	589,893
Investment account due from designated financial institutions	-	-	192,599	177,452
Securities purchased under resale agreements	9,731	8,386	3,638	3,406
Financial assets at FVTPL	104,791	80,640	104,473	79,333
Financial assets at FVOCI - debt instruments	1,694,766	1,574,555	1,672,114	1,549,528
Financial investments at amortised cost	760,487	848,609	707,815	797,004
Others	37,265	53,790	25,709	40,353
	9,811,600	10,134,048	9,823,978	10,028,727
Of which:				
Interest income accrued on impaired financial assets	74,273	104,421	74,251	103,038

37 INTEREST EXPENSE

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits and placements of banks and other financial institutions	955,833	801,055	1,066,859	1,067,969
Deposits from customers	4,078,237	4,488,655	3,846,747	4,068,700
Obligations on securities sold under repurchase agreements	316,307	404,010	429,204	443,289
Recourse obligation on loans sold to Cagamas	26,694	89,890	26,694	89,890
Subordinated obligations	99,871	100,154	95,419	95,697
Senior debt securities	229,871	194,859	229,871	194,859
Borrowings	88,930	70,502	85,494	63,009
Others	135,668	115,623	132,440	112,293
	5,931,411	6,264,748	5,912,728	6,135,706

38 OTHER OPERATING INCOME

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fee income				
Service charges and fees	196,041	190,570	177,587	173,725
Commission	280,541	245,113	313,746	271,648
Guarantee fees	46,499	36,001	46,380	35,685
Commitment fees	37,362	38,803	36,310	37,324
Brokerage income	171,344	236,962	-	-
Fund management fees	209,922	213,900	-	-
Unit trust fee income	92,276	55,501	-	-
Corporate advisory fees	31,279	25,896	3,838	5,920
Underwriting and arrangement fees	4,985	6,806	387	807
Other fee income	82,045	73,838	19,284	19,365
	1,152,294	1,123,390	597,532	544,474
Fee and commission expenses	(161,769)	(147,343)	-	-
	990,525	976,047	597,532	544,474
Net gain arising from financial assets at FVTPL				
- Net gain on disposal	57,919	74,603	59,646	28,317
- Unrealised net (loss)/gain on revaluation	(10,520)	177,025	31,845	(7,432)
- Dividend income	73,778	56,788	-	-
	121,177	308,416	91,491	20,885
Net gain on revaluation of derivatives	141,089	248,814	73,533	207,892
Net loss on fair value hedges	(2,212)	(4,061)	(2,212)	(4,061)
Net gain on derecognition of hedging	141	4,243	141	4,243
Net gain arising from derecognition of financial investments at amortised cost	33,602	55	33,602	55
Net gain arising from financial assets at FVOCI				
- Net gain on debt instruments on disposal	308,055	222,118	306,494	221,458
- Dividend income on equity instruments	6,506	6,288	5,814	5,593
	314,561	228,406	312,308	227,051
Dividend income from subsidiaries	-	-	615,554	437,660

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

38 OTHER OPERATING INCOME (CONTINUED)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other income				
Net foreign exchange gain	999,913	624,945	554,281	539,376
Net insurance service/finance results (Note (i))	59,909	54,319	-	-
Gain on disposal of property, plant and equipment	486	2,996	366	2,693
Gain on disposal of subsidiaries	11,427	85,190	-	-
Gain/(Loss) on liquidation of subsidiaries	25,290	(150)	-	52,405
Gain/(Loss) on modification of right-of-use assets	113	1,059	18	(5)
Rental income	3,254	3,075	10,680	12,165
Other operating income	18,433	16,023	12,852	11,951
Other non-operating income	17,061	10,237	8,949	4,192
	1,135,886	797,694	587,146	622,777
	2,734,769	2,559,614	2,309,095	2,060,976

- (i) After netting off insurance service/reinsurance expenses which includes depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets.

39 INCOME FROM ISLAMIC BANKING BUSINESS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income derived from investment of depositors' funds	4,973,538	4,600,871	13,191	31,265
Income derived from investment of investment account funds	367,217	319,118	-	-
Income derived from investment of shareholders' funds	28,051	300,647	163	(662)
	5,368,806	5,220,636	13,354	30,603
Income attributable to depositors	(3,163,805)	(2,992,957)	(10,364)	(46,453)
Profit distributed to investment account holders	(45,688)	(51,699)	-	-
	2,159,313	2,175,980	2,990	(15,850)
Of which:				
Financing income earned on impaired financing and advances	39,636	33,072	-	-

40 OTHER OPERATING EXPENSES

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Personnel costs				
Salaries, bonuses, wages and allowances	1,964,331	1,906,545	1,622,386	1,597,151
Defined contribution plan	288,185	267,920	254,949	232,706
Share-based expenses	14,678	17,704	12,211	13,381
Other staff related costs	199,016	231,511	161,663	177,135
	2,466,210	2,423,680	2,051,209	2,020,373
Establishment costs				
Property, plant and equipment:				
- Depreciation	138,091	149,822	121,046	127,975
- Written off	291	144	103	28
Intangible assets:				
- Amortisation	189,576	182,657	168,829	160,324
- Written off	327	721	-	-
Right-of-use assets:				
- Depreciation	64,003	68,129	57,493	55,148
Rental of premises	20,642	28,471	18,867	20,049
Rental of equipment	12,854	12,805	12,824	12,529
Insurance	52,970	46,527	47,383	43,678
Water and electricity	24,197	27,447	17,108	18,632
Repair and maintenance	34,602	35,994	27,290	26,797
Security and escorting expenses	55,733	58,223	56,193	58,918
Information technology expenses	392,818	355,348	330,724	288,284
Others	7,289	10,264	-	-
	993,393	976,552	857,860	812,362
Marketing expenses				
Sales commission	184,184	152,362	161,744	131,216
Advertisement and publicity	54,190	60,201	45,890	51,615
Others	88,403	64,747	68,057	52,522
	326,777	277,310	275,691	235,353
Administration and general expenses				
Communication expenses	145,701	148,330	110,964	108,139
Auditors' remuneration (Note (i))	7,822	7,530	5,166	4,737
Legal and professional fees	53,119	51,333	54,882	56,268
Others	160,870	136,694	89,732	90,613
	367,512	343,887	260,744	259,757
Operating expenses allocated to subsidiaries	-	-	(791,585)	(653,771)
	4,153,892	4,021,429	2,653,919	2,674,074

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

40 OTHER OPERATING EXPENSES (CONTINUED)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(i) Auditors' remuneration				
(a) Audit:				
Statutory audit:				
– Malaysia	3,831	3,395	2,296	1,974
– Overseas	2,876	3,055	1,979	1,874
Limited review	577	701	453	559
	7,284	7,151	4,728	4,407
(b) Non-audit:				
– Malaysia	517	379	438	330
– Overseas	21	-	-	-
	538	379	438	330
	7,822	7,530	5,166	4,737

Included in the personnel costs is the Group Managing Director's remuneration for the Group and the Bank, as disclosed in Note 41.

Included in administration and general expenses of the Group and the Bank are other directors' remuneration as disclosed in Note 41.

41 DIRECTORS' REMUNERATION

Group and Bank	Salary and other remuneration RM'000	Benefits-in-kind (based on an estimated monetary value) RM'000	Bonus RM'000	Total RM'000
2025				
Group Managing Director				
Dato' Mohd Rashid Mohamad	6,120 ⁽ⁱ⁾	38	3,126	9,284
2024				
Group Managing Director				
Dato' Mohd Rashid Mohamad	4,662 ⁽ⁱ⁾	35	3,000	7,697

(i) Inclusive of share-based expenses of RM2,784,000 (2024: RM1,461,000).

41 DIRECTORS' REMUNERATION (CONTINUED)

	Group				Bank			
	Fees RM'000	Benefits-in-kind (based on an estimated monetary value) RM'000	Other remuneration RM'000	Total RM'000	Fees RM'000	Benefits-in-kind (based on an estimated monetary value) RM'000	Other remuneration RM'000	Total RM'000
2025								
Non-executive Directors								
Tan Sri Ahmad Badri Mohd Zahir	325	35	343	703	325	35	343	703
Tan Sri Ong Leong Huat @ Wong Joo Hwa	498	-	184	682	226	-	90	316
Ong Ai Lin	405	-	305	710	226	-	146	372
Lim Cheng Teck	341	-	318	659	226	-	218	444
Dato' Mohamad Nasir Ab Latif	498	17	195	710	226	-	99	325
Donald Joshua Jaganathan	420	25	429	874	226	-	304	530
Datuk Iain John Lo	405	-	334	739	226	-	167	393
Hijah Arifakh Othman	449	-	232	681	226	-	99	325
Nadzirah Abd Rashid	257	-	137	394	226	-	127	353
	3,598	77	2,477	6,152	2,133	35	1,593	3,761
2024								
Non-executive Directors								
Tan Sri Ahmad Badri Mohd Zahir	300	35	339	674	300	35	339	674
Tan Sri Ong Leong Huat @ Wong Joo Hwa	460	96	160	716	200	-	82	282
Ong Ai Lin	360	-	251	611	200	-	122	322
Lim Cheng Teck	200	-	211	411	200	-	211	411
Dato' Mohamad Nasir Ab Latif	460	18	178	656	200	-	96	296
Donald Joshua Jaganathan	360	-	347	707	200	-	261	461
Datuk Iain John Lo	360	-	292	652	200	-	152	352
Hijah Arifakh Othman	360	-	201	561	200	-	94	294
Nadzirah Abd Rashid	160	-	92	252	160	-	92	252
	3,020	149	2,071	5,240	1,860	35	1,449	3,344

Note: During the financial year, Directors of the Group and the Bank are covered under the Directors' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors of the Group and the Bank subject to the term of the policy. The total amount of Directors' Liability Insurance effected for the Directors of the Group and the Bank was RM200 million (2024: RM200 million). The total amount of premium paid for the Directors' Liability Insurance by the Group and the Bank was RM718,000 and RM621,000 (2024: RM745,000 and RM640,000) respectively.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

42 ALLOWANCE FOR CREDIT LOSSES ON FINANCIAL ASSETS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Charge/(Writeback)				
Loans, advances and financing:				
- Net charge	506,211	647,721	342,904	393,362
- Bad debts recovered	(409,246)	(373,792)	(292,317)	(309,499)
- Bad debts written off	225,294	251,058	155,864	183,930
	322,259	524,987	206,451	267,793
Financial assets at FVOCI	7,047	(4,753)	5,688	(4,224)
Financial investments at amortised cost	(130,567)	1,325	(129,715)	17
Foreclosed properties	4,912	13,962	4,912	13,962
Other financial assets	10,586	(182)	(3,260)	940
	214,237	535,339	84,076	278,488

43 IMPAIRMENT LOSSES MADE ON OTHER NON-FINANCIAL ASSETS

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Investment in subsidiaries		-	-	19,420	98,000
Intangible assets	20	-	1,640	-	-
Property, plant and equipment	18	-	148	-	-
		-	1,788	19,420	98,000

44 TAXATION AND ZAKAT

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income tax based on profit for the financial year				
- Malaysian income tax	1,290,612	917,242	792,766	605,686
- Overseas tax	51,089	49,602	48,334	48,516
Deferred tax	(309,760)	(31,256)	(125,944)	(22,085)
	1,031,941	935,588	715,156	632,117
(Over)/Under provision in respect of prior financial years				
- Income tax	(22,391)	(57,822)	(13,359)	(39,793)
- Deferred tax	(12,940)	6,265	(5,123)	7,161
	(35,331)	(51,557)	(18,482)	(32,632)
Tax expense	996,610	884,031	696,674	599,485
Zakat	13,000	12,000	-	-
	1,009,610	896,031	696,674	599,485

44 TAXATION AND ZAKAT (CONTINUED)

The numerical reconciliation between the applicable statutory income tax rate and the effective income tax rate of the Group and the Bank are as below:

	Group		Bank	
	2025 %	2024 %	2025 %	2024 %
Tax at Malaysian statutory tax rate	24.0	24.0	24.0	24.0
Tax effects in respect of:				
Effects of different tax rate in Labuan/other countries	(0.8)	(0.7)	-	-
Non-taxable income	(0.5)	(2.3)	(4.3)	(4.1)
Non-allowable expenses	0.9	2.7	0.9	2.0
Utilisation of previously unrecognised tax losses	-	(0.1)	-	-
Over provision in respect of prior financial years	(0.8)	(1.3)	(0.5)	(1.1)
	22.8	22.3	20.1	20.8

45 EARNINGS PER SHARE ('EPS')

(a) Basic EPS

The basic EPS of the Group is calculated by dividing the net profit for the financial year attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2025	2024
Profit attributable to equity holders of the Bank (RM'000)	3,363,249	3,120,211
Weighted average number of ordinary shares in issue ('000)	4,360,698	4,332,311
Basic EPS (sen)	77.13	72.02

(b) Diluted EPS

The diluted EPS of the Group is calculated by dividing the net profit for the financial year attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue, which has been adjusted for the number of ordinary shares that could have been issued under the SGS. In the diluted EPS calculation, it is assumed that certain number of ordinary shares under the SGS are vested and awarded to employees through issuance of additional ordinary shares, and all performance conditions are achieved. A calculation is done to determine the number of ordinary shares that could have been issued at fair value based on the monetary value of the SGS entitlement granted. This calculation serves to determine the number of dilutive shares to be added to the weighted average ordinary shares in issue for the purpose of computing the dilution. No adjustment was made to the net profit for the financial year.

	Group	
	2025	2024
Profit attributable to equity holders of the Bank (RM'000)	3,363,249	3,120,211
Weighted average number of ordinary shares in issue ('000)	4,360,698	4,332,311
Effect of dilution ('000)	13,309	13,192
Adjusted weighted average number of ordinary shares in issue ('000)	4,374,007	4,345,503
Diluted EPS (sen)	76.89	71.80

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

46 INCOME TAX RELATING TO COMPONENTS OF OTHER COMPREHENSIVE INCOME/(LOSS)

	Before tax RM'000	Tax benefits RM'000	Net of tax RM'000
Group			
2025			
Financial assets at FVOCI			
- Net fair value gain, net amount transfer to income statements and changes in expected credit losses	603,321	(143,193)	460,128
Actuarial gain on defined benefit plan of subsidiaries	350	(205)	145
	603,671	(143,398)	460,273
2024			
Financial assets at FVOCI			
- Net fair value gain, net amount transfer to income statements and changes in expected credit losses	39,848	(10,849)	28,999
Actuarial gain on defined benefit plan of subsidiaries	870	(176)	694
	40,718	(11,025)	29,693
Bank			
2025			
Financial assets at FVOCI			
- Net fair value gain, net amount transfer to income statements and changes in expected credit losses	530,608	(126,092)	404,516
2024			
Financial assets at FVOCI			
- Net fair value gain, net amount transfer to income statements and changes in expected credit losses	39,536	(10,676)	28,860

47 DIVIDENDS

Dividends declared are as follows:

	Note	Group and Bank			
		2025		2024	
		Dividend per share sen	Total dividend RM'000	Dividend per share sen	Total dividend RM'000
Ordinary shares:					
Single-tier interim dividend – 2024	(a)	-	-	15.0	653,923
Single-tier second interim dividend – 2024	(b)	-	-	28.0	1,220,657
Single-tier interim dividend – 2025	(c)	15.0	654,287	-	-
Single-tier second interim dividend – 2025	(d)	35.0	1,526,670	-	-
		50.0	2,180,957	43.0	1,874,580

- (a) This consists of cash dividend of 15.0 sen per share amounting to RM653,923,000 and was paid on 30 September 2024.
- (b) This consists of cash dividend of 28.0 sen per share amounting to RM1,220,657,000 and was paid on 9 April 2025.
- (c) This consists of cash dividend of 15.0 sen per share amounting to RM654,287,000 and was paid on 30 September 2025.
- (d) A single-tier second interim cash dividend of 35.0 sen per share in respect of the financial year ended 31 December 2025, amounting to RM1,526,670,000 has been declared by the Board of Directors. The single-tier second interim cash dividend was approved by the Board of Directors on 28 January 2026.

The financial statements for the current financial year do not reflect this single-tier second interim cash dividend in respect of the financial year ended 31 December 2025. This dividend payment will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31 December 2026.

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2025.

Dividends recognised as distribution to ordinary equity holders of the Bank:

	Group and Bank			
	2025		2024	
	Dividend per share sen	Total dividend RM'000	Dividend per share sen	Total dividend RM'000
Ordinary shares:				
Single-tier interim dividend – 2025	15.0	654,287	-	-
Single-tier second interim dividend – 2024	28.0	1,220,657	-	-
Single-tier interim dividend – 2024	-	-	15.0	653,923
Single-tier second interim dividend – 2023	-	-	25.0	1,071,587
	43.0	1,874,944	40.0	1,725,510

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

48 COMMITMENTS AND CONTINGENCIES

(a) Commitments and Contingencies

In the normal course of business, the Group and the Bank make various commitments and incurs certain contingent liabilities with legal recourse to its customers. Apart from the allowance for commitments and contingencies already made in the financial statements, no material losses are anticipated as a result of these transactions.

The commitments and contingencies comprise the following:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Contingent liabilities				
Direct credit substitutes*	1,751,364	1,933,161	1,719,751	1,901,162
Transaction-related contingent items	2,891,579	2,541,957	2,008,018	1,849,196
Short-term self-liquidating trade-related contingencies	1,248,200	1,161,256	783,932	839,862
	5,891,143	5,636,374	4,511,701	4,590,220
Commitments				
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions, and commitment to buy-back Islamic securities under Sell and Buy Back Agreement transactions	12,521,807	17,067,854	12,165,145	17,263,218
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-	488,912	-	488,912
Irrevocable commitments to extend credit:				
- Maturity less than one year	8,667,898	9,718,468	7,176,714	7,152,640
- Maturity more than one year	28,540,446	28,390,923	19,160,285	18,877,006
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	19,386,532	19,084,318	16,230,739	16,187,890
	69,116,683	74,750,475	54,732,883	59,969,666
Derivative financial instruments				
Foreign exchange related contracts [^] :				
- One year or less	99,746,044	96,991,463	112,284,550	107,411,662
- More than one year to five years	6,080,203	6,569,467	6,080,203	6,569,467
- More than five years	967,394	953,532	967,394	953,532
Commodity related contracts [^] :				
- One year or less	661,405	670,704	660,338	670,933
- More than one year to five years	628,481	580,072	627,567	580,370
Equity related contracts [^] :				
- One year or less	1,457,620	1,232,284	1,202,614	1,078,235
- More than one year to five years	46,698	64,074	46,698	64,074
Interest rate related contracts [^] :				
- One year or less	107,460,629	86,218,627	112,362,629	89,638,627
- More than one year to five years	117,524,270	123,647,130	123,369,270	127,922,130
- More than five years	17,606,819	15,745,394	17,636,819	15,745,394
	352,179,563	332,672,747	375,238,082	350,634,424
	427,187,389	413,059,596	434,482,666	415,194,310

* This relates to financial guarantee contracts.

[^] These derivatives are revalued on gross position basis and the unrealised gains or losses has been reflected in the income statements and statements of financial position as derivative assets or derivative liabilities.

This disclosure is presented in accordance with BNM guidelines on Capital Adequacy Framework.

48 COMMITMENTS AND CONTINGENCIES (CONTINUED)

(b) Guarantees Issued by the Group and the Bank

The Group and the Bank have given a continuing guarantee to its subsidiary, RHB Bank (L) Ltd from its offshore banking business in the Federal Territory of Labuan for the liabilities, financial obligations, or requirements imposed or under the Labuan Financial Services Act 1996 or any other guidelines issued by the Labuan Financial Services Authority.

(c) Contingent Liabilities

(i) As at 31 December 2025, the Group has contingent liabilities amounting to approximately RM73,053,000 where RHB Investment Bank agreed to indemnify Phillip Brokerage Pte Ltd ('PBPL'), on the litigation claims against RHB Securities (Thailand) Public Company Limited ('RHBST'). This indemnity is in relation to the disposal of approximately 99.95% equity interest in RHBST by RHB Investment Bank to PBPL in December 2024 and the said indemnity shall apply to the following claims:

- legal proceedings or lawsuits based on actions or circumstances that occurred prior to the completion of disposal of RHBST and will be lifted after 8 years from the completion date in relation to the defaulted bills of exchange and promissory notes with other claims to be lifted after 10 years from the completion date;
- the ongoing litigation cases will be lifted after 8 years from the completion date, except for two specific ongoing litigation cases with no time limitation; and
- the criminal claims filed by eight investors against RHBST in relation to defaulted bills of exchange and promissory notes in the event the public prosecutor decides to proceed with the case and will be lifted after 8 years from the completion date.

The maximum aggregate liability of RHB Investment Bank of the abovementioned claims shall not exceed an amount equivalent to 140% of the sales consideration.

(ii) The Bank has given an undertaking to BNM to provide adequate funds proportionate to its shareholding in Boost Bank at the material time, to ensure that Boost Bank has sufficient funds to satisfy all its remaining obligations and liabilities due including customer deposits, in the event Boost Bank is wound down and required to implement its exit plan during its foundational phase.

49 NON-CANCELLABLE LEASE COMMITMENTS

A summary of the lease commitments, net of sub-leases, which are scope-out of MFRS 16 is as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Rental of premises:				
- Within one year	11,168	11,678	10,068	10,457
- More than one year to five years	8,609	16,838	6,416	13,598
- More than five years	86	119	-	-
	19,863	28,635	16,484	24,055

50 CAPITAL COMMITMENTS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Authorised and contracted for property, plant and equipment	287,693	325,414	267,511	293,815

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

51 RELATED PARTY TRANSACTIONS

(a) Related parties and relationships

The related parties of, and their relationship with the Bank, are as follows:

Related parties	Relationship
Employees Provident Fund ('EPF')	Substantial shareholder, a fund body that is significantly influenced by the government
Subsidiaries, associates and joint ventures of EPF as disclosed in its financial statements	Reporting entities that EPF has control or significant influence
Subsidiaries of the Bank as disclosed in Note 15	Subsidiaries
Associates of the Bank as disclosed in Note 16	Associates
Key management personnel	The key management personnel of the Group and the Bank consists of: <ul style="list-style-type: none"> - All Directors of the Bank and its key subsidiaries; and - Members of the Group Management Committee ('GMC')
Related parties of key management personnel (deemed as related to the Bank)	(i) Close family members and dependents of key management personnel; and (ii) Entities that are controlled, jointly controlled or significantly influenced, by or for which voting power in such entity resides with, directly or indirectly by key management personnel or its close family members

(b) Significant related party balances and transactions

In addition to related party disclosures mentioned in Notes 11 and 26, set out below are other significant related party transactions and balances.

Other related parties of the Bank comprise of transactions or balances with the Bank's subsidiaries.

All related party transactions are entered into in the normal course of business at agreed terms between the related parties.

51 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant related party balances and transactions (continued)

	2025			2024		
	Key management personnel* RM'000	EPF and EPF Group of companies RM'000	Associates RM'000	Key management personnel* RM'000	EPF and EPF Group of companies RM'000	Associates RM'000
Group						
Income						
Interest on loans, advances and financing	15,453	19,534	-	11,979	9,209	-
Interest on financial assets at FVTPL	-	158	-	-	-	-
Interest on financial assets at FVOCI	-	33,362	-	-	45,027	-
Interest on financial investments at amortised cost	3,316	13,966	-	-	12,285	-
Fee income	1,587	14,025	-	862	13,554	-
Insurance premium	14	18,265	1,265	53	17,469	1,151
Brokerage income	135	4,910	-	184	9,128	-
Net gain on revaluation of derivatives	26	464	-	24	239	-
Other income	56	25	-	39	21	-
	20,587	104,709	1,265	13,141	106,932	1,151
Expenses						
Interest on deposits from customers	1,985	6,221	-	3,336	7,101	-
Interest on deposits and placements of banks and other financial institutions	-	-	1,548	-	-	1,051
Other expenses	30	184	-	17	2,323	-
Reimbursement of operating expenses to a holding company	-	-	(2,819)	-	-	(1,855)
	2,015	6,405	(1,271)	3,353	9,424	(804)
Amounts due from						
Loans, advances and financing	145,018	1,479,378	-	151,886	621,130	-
Clients' and brokers' balances	75	44,341	-	-	18,606	-
Financial assets at FVTPL	-	20,447	-	-	-	-
Financial assets at FVOCI	-	813,145	-	-	623,682	-
Financial investments at amortised cost	100,049	441,200	-	-	275,177	-
Other assets	23	4,878	-	189	4,459	-
	245,165	2,803,389	-	152,075	1,543,054	-
Amounts due to						
Deposits from customers	438,129	584,920	9,972	386,756	1,253,626	3,359
Deposits and placements of banks and other financial institutions	-	-	15,000	-	-	90,037
Clients' and brokers' balances	142	12,276	-	51	-	-
Other liabilities	84	636	-	331	30,032	-
	438,355	597,832	24,972	387,138	1,283,658	93,396

* Include the transactions and balances with the related parties of key management personnel.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

51 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant related party balances and transactions (continued)

	2025				2024			
	Key management personnel* RM'000	EPF and EPF Group of companies RM'000	Subsidiaries RM'000	Associates RM'000	Key management personnel* RM'000	EPF and EPF Group of companies RM'000	Subsidiaries RM'000	Associates RM'000
Bank								
Income								
Interest on deposits and placements with other financial institutions	-	-	440,215	-	-	-	443,551	-
Interest on investment account due from designated financial institutions	-	-	192,599	-	-	-	177,452	-
Interest on loans, advances and financing	15,245	-	1,051	-	11,802	-	3,115	-
Interest on securities purchased under resale agreements	-	-	1,445	-	-	-	2,420	-
Interest on financial assets at FVTPL	-	158	-	-	-	-	-	-
Interest on financial assets at FVOCI	-	28,093	-	-	-	40,477	-	-
Interest on financial investments at amortised cost	-	13,257	-	-	-	11,994	-	-
Fee income	13	-	-	-	13	-	-	-
Dividend income	-	-	615,554	-	-	-	437,660	-
Gain/(Loss) on revaluation of derivatives	-	-	5,932	-	-	-	(33,620)	-
Other income/(loss)	-	-	(392,548)	-	-	-	(30,845)	-
	15,258	41,508	864,248	-	11,815	52,471	999,733	-
Expenses								
Interest on deposits and placements of banks and other financial institutions	-	-	116,122	1,548	-	-	268,731	1,051
Interest on deposits from customers	1,891	2	6,526	-	3,223	-	5,692	-
Interest on obligation on securities sold under repurchase agreements	-	-	118,026	-	-	-	39,279	-
Rental of premises	-	-	9,959	-	-	-	10,402	-
Reimbursement of operating expenses from subsidiaries/associates	-	-	(791,585)	(2,819)	-	-	(653,771)	(1,855)
Other expenses	-	-	33,310	-	-	-	32,261	-
	1,891	2	(507,642)	(1,271)	3,223	-	(297,406)	(804)

* Include the transactions and balances with the related parties of key management personnel.

51 RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Significant related party balances and transactions (continued)

	2025				2024			
	Key management personnel* RM'000	EPF and EPF Group of companies RM'000	Subsidiaries RM'000	Associates RM'000	Key management personnel* RM'000	EPF and EPF Group of companies RM'000	Subsidiaries RM'000	Associates RM'000
Bank								
Amounts due from								
Money at call and deposit placements	-	-	2,574,196	-	-	-	4,099,306	-
Deposits and placements with banks and other financial institutions	-	-	8,272,688	-	-	-	7,699,508	-
Investment account due from designated financial institutions	-	-	6,719,876	-	-	-	4,640,875	-
Securities purchased under resale agreements	-	-	-	-	-	-	100,213	-
Derivative assets	-	-	294,821	-	-	-	240,350	-
Loans, advances and financing	137,254	-	141,803	-	146,997	-	141,803	-
Financial assets at FVTPL	-	20,447	-	-	-	-	-	-
Financial assets at FVOCI	-	671,665	-	-	-	504,571	-	-
Financial investments at amortised cost	-	404,788	-	-	-	263,919	-	-
Other assets	-	-	580,661	-	-	-	1,070,407	-
	137,254	1,096,900	18,584,045	-	146,997	768,490	17,992,462	-
Amounts due to								
Deposits and placements of banks and other financial institutions	-	-	3,464,335	15,000	-	-	2,896,616	90,037
Deposits from customers	411,025	73,856	324,207	9,972	366,259	222,977	357,393	3,359
Derivative liabilities	-	-	580,319	-	-	-	448,232	-
Other liabilities	-	-	8,628	-	-	-	2,577	-
Obligations on securities sold under repurchase agreements	-	-	5,055,108	-	-	-	2,861,073	-
	411,025	73,856	9,432,597	24,972	366,259	222,977	6,565,891	93,396

* Include the transactions and balances with the related parties of key management personnel.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

51 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management personnel

The remuneration of Directors and other members of key management are as follows:

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short-term employee benefits:					
- Fees		3,598	3,020	2,133	1,860
- Salary and other remuneration		40,774	38,911	34,587	28,646
- Contribution to EPF		5,081	4,653	4,238	3,781
- Share-based expenses	(i)	10,566	5,245	9,283	4,497
- Benefits-in-kind		230	214	208	102
		60,249	52,043	50,449	38,886

(i) As at 31 December 2025, the total number of shares awarded to the Group and the Bank's Group Managing Director and key management personnel amounted to 3,802,000 and 3,360,000 (2024: 3,700,000 and 3,230,000) respectively.

The above includes Directors' remuneration as disclosed in Note 41.

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Approved limit on loans, advances and financing for key management personnel	436,986	453,728	421,537	441,806

(d) Credit exposures arising from transactions with connected parties

Credit exposures with connected parties as per BNM's revised Guidelines on Credit Transactions and Exposures with Connected Parties are as follows:

	Group		Bank	
	2025	2024	2025	2024
Outstanding credit exposures with connected parties (RM'000)	12,671,665	12,894,498	8,653,658	8,772,222
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures (%)	4.14	4.50	4.75	5.03
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	-	-	-	-

The credit exposures above are derived based on BNM's revised Guidelines on Credit Transactions and Exposures with Connected Parties, which are effective on 16 July 2014.

51 RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Intercompany charges

Breakdown of intercompany charges by type of services received and geographical distribution as per BNM's Policy Document on Financial Reporting issued on 29 April 2022 are as follows:

	Interest on deposits and placements of banks and other financial institutions RM'000	Interest on deposits from customers RM'000	Interest on obligations on securities sold under repurchase agreements RM'000	Rental of premises RM'000	Reimbursement of operating expenses from subsidiaries RM'000	Other expenses RM'000
Bank						
2025						
Malaysia	99,413	5,838	118,026	544	(788,436)	33,310
Singapore	-	688	-	9,415	(42)	-
Indonesia	-	-	-	-	(193)	-
Cambodia	16,709	-	-	-	(2,005)	-
Lao	-	-	-	-	(909)	-
	116,122	6,526	118,026	9,959	(791,585)	33,310
2024						
Malaysia	268,731	5,468	39,279	676	(651,732)	32,261
Singapore	-	135	-	9,726	-	-
Thailand	-	89	-	-	(211)	-
Indonesia	-	-	-	-	(166)	-
Cambodia	-	-	-	-	(1,302)	-
Lao	-	-	-	-	(360)	-
	268,731	5,692	39,279	10,402	(653,771)	32,261

52 SHARE GRANT SCHEME

The SGS was established and implemented by the Group and the Bank in June 2022.

The SGS is intended to motivate employees, attract talents and retain key employees through the grant of the ordinary shares in the Bank of up to 2% of the total number of issued shares of the Bank (excluding treasury shares, if any) at any point in time during the duration of the SGS for employees and Executive Directors of the Bank and its subsidiaries (excluding subsidiaries which are dormant) who fulfil the eligibility criteria ('Eligible Employees'). The SGS which is to be administered by the Board Nominating and Remuneration Committee ('BNRC') comprising such persons as may be appointed by the Board from time to time, shall be in force for a period of nine years commencing from the effective implementation date of the SGS, and the vesting period for each grant offered will be 3 years from the offer date.

Details of the SGS share awarded are as follows:

Award date	Fair value RM	Awarded Unit'000	Vesting date
Grant 1 - 4 July 2022	5.71	4,685	3 July 2025
Grant 2 - 22 May 2023	5.50	5,445	30 June 2026
Grant 3 - 4 March 2024	5.62	4,725	30 June 2027
Grant 3A - 1 July 2024	5.50	142	30 June 2027
Grant 4 - 4 March 2025	6.86	5,145	30 June 2028
Grant 4A - 13 May 2025	6.82	85	30 June 2028

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

52 SHARE GRANT SCHEME (CONTINUED)

The movement of the SGS shares during the financial year ended 31 December 2025 are as follows:

2025	Number of SGS shares (Unit'000)				
	As at 1 January 2025	Awarded	Vested	Forfeited	As at 31 December 2025
Award date					
Grant 1 - 4 July 2022	3,863	-	(2,424)	(1,439)	-
Grant 2 - 22 May 2023	4,672	-	-	(350)	4,322
Grant 3 - 4 March 2024	4,515	-	-	(388)	4,127
Grant 3A - 1 July 2024	142	-	-	(125)	17
Grant 4 - 4 March 2025	-	5,145	-	(387)	4,758
Grant 4A - 13 May 2025	-	85	-	-	85

53 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined its Management Committee as its chief operating decision-maker.

Pursuant to the Group's internal management reporting framework, the Group has on 1 May 2025 set up GCBB which consolidates Group Corporate Banking, Group Commercial Banking and Group SME Banking under a unified structure. As part of this strategic realignment, the following segments will be transitioned from their previous business pillars to GCBB:

- (i) Group SME Banking previously under GCB; and
- (ii) Group Corporate Banking and Group Commercial Banking formerly under GWB.

The Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure:

(a) Group Community Banking

GCB focuses on providing products and services to individual customers. The products and services offered to customers include credit facilities (mortgages, non-residential mortgages, hire purchase, purchase of securities, credit cards and other personal loans and financing), remittances, deposits collection, investment related products, and bancassurance/bancatakaful products.

(b) Group Wholesale Banking

GWB comprise the following key business portfolio/functional group:

- I. Group Treasury and Global Markets;
 - II. Group Investment Banking which consist of Group Investment Banking and Group Asset Management;
 - III. Group Transaction Banking; and
 - IV. Group Economics.
- (i) Group Treasury and Global Markets offers a comprehensive suite of treasury products and solutions including foreign exchange ('FX'), derivatives, capital markets, structured products, money market investments and Islamic Treasury products catering to the hedging and investment needs of our diverse customers in Malaysia, Singapore and Thailand. This segment is also responsible for the overall management of the liquidity and funding needs of the Group as well as for investing excess capital and funds to enhance the returns for the Group.
 - (ii) Group Investment Banking offers a full range of investment banking products and services covering primary markets, such as advisory (corporate and debt restructuring, mergers and acquisitions, takeovers), fundraising via both equity and debt instruments, secondary markets including securities trading for both institutional and retail clients, and trustee services. This segment leverages on the Group's regional platforms to provide cross-border transactional services to clients across ASEAN.

This segment also offers stockbroking and investment banking products and services to the Group's regional customers in Indonesia and Cambodia.

53 SEGMENT REPORTING (CONTINUED)

The Group's business segments can be organised into the following main segments reflecting the Group's internal reporting structure (continued):

(b) Group Wholesale Banking (continued)

- (iii) Group Asset Management manages a full set of investment services and offerings including management of unit trust funds, investment management advisory, private mandates and product development.
- (iv) Group Transaction Banking offers a wide range of business solutions ranging from cash management solutions, trade finance and services including supply chain financing solutions among others for SME, Commercial & Large corporates.
- (v) Group Economics which includes Foreign Exchange and Fixed Income Strategy, provides expert advice on Macroeconomic developments as well as local economic and sectoral trends. This team is also responsible for engaging with corporate and institutional clients to provide advice on economic developments and trends.

(c) Group Corporate and Business Banking

GCBB comprise Group Corporate Banking, Group Commercial Banking and Group SME Banking.

Group Corporate Banking provides a comprehensive suite of Conventional and Shariah-compliant financial solutions, tailored for large corporate clients listed on local and international stock exchanges, multinational companies, government, government agencies and government-linked companies. The segment's offerings include working capital financing, bridging/term financing, project financing, syndication, corporate exercise support, structured trade finance, unrated corporate bond/sukuk and foreign currency hedging, ensuring a holistic approach to diverse financial needs.

Group Commercial Banking serves small and mid-cap listed and unlisted companies, bridging the gap between large corporates and SMEs. The segment supports customers business expansion by providing essential Conventional and Shariah-compliant financing for capital expenditures, bridging/term financing, project financing, trade financing, working capital, liquidity management and foreign currency hedging, integrating tailored financial solutions and sector-specific expertise.

Group SME Banking focuses on providing financing solutions to SMEs and family-owned enterprises, as well as trade and cash management solutions for SMEs.

(d) Group International Business

Group International Business primarily focuses on providing commercial and investment banking related products and services tailored to the specific needs of the customers in foreign countries in which the Group has operations. The Group currently has foreign presences in Singapore, Thailand, Brunei, Cambodia and Lao.

(e) Insurance

RHB Insurance Berhad provides general insurance for retail, SME, commercial and corporate customers.

(f) Support Center and Others

Support Center and Others comprise results from other business segments in the Group (nominee services, property investment and rental of premises and other related financial services) as well as income and expenses not allocated to the operating segments for performance assessment. The results of these other businesses are not material to the Group and therefore do not render a separate disclosure and are reported in aggregate in the financial statements.

The business segment results are prepared based on the Group's internal management reporting, which reflects the organisation's management reporting structure. Internal allocation of costs, for example, back office support, centralised cost, funding center and the application of transfer pricing, where appropriate, has been used in preparing the segmental reporting.

Accordingly, comparative segment information has been restated to align with changes in the Group's internal management reporting structure following the establishment of GCBB, and the presentation of material income used in assessing segment performance has been disclosed separately.

During the financial year, no one group of related customers accounted for more than 10% of the Group's revenue.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

53 SEGMENT REPORTING (CONTINUED)

(a) Business segment analysis

	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group Corporate and Business Banking RM'000	Group International Business RM'000	Insurance* RM'000	Support Center and Others RM'000	Inter- Segment Elimination RM'000	Total RM'000
2025								
External Revenue								
- Net interest income	1,462,902	497,087	1,719,175	675,945	340	(475,260)	-	3,880,189
- Other operating income and income from Islamic Banking business	1,531,534	1,745,914	1,088,962	344,312	121,442	61,918	-	4,894,082
- Inter-segment	46,952	50,611	(41,107)	684	(18,187)	22,529	(61,482)	-
Net income	3,041,388	2,293,612	2,767,030	1,020,941	103,595	(390,813)	(61,482)	8,774,271
Other operating expenses Including:	(1,759,090)	(745,238)	(1,020,453)	(656,766)	(616)	(33,211)	61,482	(4,153,892)
Depreciation of property, plant and equipment	(68,278)	(13,161)	(36,561)	(19,858)	-	(233)	-	(138,091)
Depreciation of right-of-use assets	(19,085)	(13,764)	(12,753)	(18,295)	-	(106)	-	(64,003)
Amortisation of intangible assets	(82,839)	(20,149)	(66,122)	(20,466)	-	-	-	(189,576)
Allowance for credit losses on financial assets	(217,808)	(5,815)	116,539	(106,782)	(371)	-	-	(214,237)
Segment profit/(loss)	1,064,490	1,542,559	1,863,116	257,393	102,608	(424,024)	-	4,406,142
Share of results of associates								(27,659)
Profit before taxation and zakat								4,378,483
Taxation and zakat								(1,009,610)
Net profit for the financial year								3,368,873

* All depreciation and amortisation relating to Insurance are netted against revenue under MFRS 17.

53 SEGMENT REPORTING (CONTINUED)

(a) Business segment analysis (continued)

	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group Corporate and Business Banking RM'000	Group International Business RM'000	Insurance RM'000	Support Center and Others RM'000	Total RM'000
2025							
Segment assets	130,023,900	78,614,092	90,777,505	51,828,170	1,928,462	3,020,760	356,192,889
Investments in associates							64,675
Tax recoverable							80,447
Deferred tax assets							523,223
Unallocated assets							1,243,008
Total assets							<u>358,104,242</u>
Segment liabilities	95,474,325	68,008,658	96,107,495	45,504,915	1,259,136	19,699	306,374,228
Provision for taxation and zakat							97,704
Deferred tax liabilities							14,673
Borrowings							5,144,411
Senior debt securities							7,019,953
Subordinated obligations							3,381,872
Unallocated liabilities							1,881,297
Total liabilities							<u>323,914,138</u>
Other segment items:							
Capital expenditure	152,035	35,073	112,283	44,207	3,224	89	346,911

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

53 SEGMENT REPORTING (CONTINUED)

(a) Business segment analysis (continued)

	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group Corporate and Business Banking RM'000	Group International Business RM'000	Insurance* RM'000	Support Center and Others RM'000	Inter- Segment Elimination RM'000	Total RM'000
2024								
External Revenue								
- Net interest income	1,495,235	424,298	1,563,376	788,322	77	(402,008)	-	3,869,300
- Other operating income and income from Islamic Banking business	1,336,134	1,943,104	1,018,675	288,151	99,516	50,014	-	4,735,594
- Inter-segment	37,911	(38,833)	107,022	(50,957)	(18,973)	25,606	(61,776)	-
Net income	2,869,280	2,328,569	2,689,073	1,025,516	80,620	(326,388)	(61,776)	8,604,894
Other operating expenses	(1,621,670)	(792,226)	(963,414)	(654,907)	(470)	(50,518)	61,776	(4,021,429)
Including:								
Depreciation of property, plant and equipment	(71,596)	(16,756)	(39,850)	(21,384)	-	(236)	-	(149,822)
Depreciation of right-of-use assets	(17,609)	(16,420)	(12,472)	(20,479)	-	(1,149)	-	(68,129)
Amortisation of intangible assets	(76,716)	(21,328)	(63,364)	(21,249)	-	-	-	(182,657)
Allowance for credit losses on financial assets	(51,048)	(908)	(218,042)	(266,870)	1,529	-	-	(535,339)
Impairment losses made on other non-financial assets	-	(1,788)	-	-	-	-	-	(1,788)
Segment profit/(loss)	1,196,562	1,533,647	1,507,617	103,739	81,679	(376,906)	-	4,046,338
Share of results of associates								(26,192)
Profit before taxation and zakat								4,020,146
Taxation and zakat								(896,031)
Net profit for the financial year								3,124,115

* All depreciation and amortisation relating to Insurance are netted against revenue under MFRS 17.

53 SEGMENT REPORTING (CONTINUED)

(a) Business segment analysis (continued)

	Group Community Banking RM'000	Group Wholesale Banking RM'000	Group Corporate and Business Banking RM'000	Group International Business RM'000	Insurance RM'000	Support Center and Others RM'000	Total RM'000
2024							
Segment assets	121,614,033	78,029,927	88,060,014	55,600,438	1,827,247	3,363,918	348,495,577
Investments in associates							74,535
Tax recoverable							88,573
Deferred tax assets							355,402
Unallocated assets							900,560
Total assets							349,914,647
Segment liabilities	89,064,493	68,474,816	95,032,321	49,233,380	1,235,259	47,368	303,087,637
Provision for taxation and zakat							100,577
Deferred tax liabilities							26,748
Borrowings							2,622,507
Senior debt securities							6,573,859
Subordinated obligations							3,380,268
Unallocated liabilities							1,591,687
Total liabilities							317,383,283
Other segment items:							
Capital expenditure	184,249	129,744	47,077	48,668	5,326	1,259	416,323

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

53 SEGMENT REPORTING (CONTINUED)

(b) Geographical segment analysis:

	Revenue RM'000	Non-current assets* RM'000	Segment assets RM'000	Capital expenditure RM'000
2025				
Malaysia	7,677,887	4,162,026	304,964,733	309,251
Outside Malaysia	1,096,384	406,994	53,139,509	37,660
	8,774,271	4,569,020	358,104,242	346,911
2024				
Malaysia	7,497,054	4,205,065	293,288,711	371,248
Outside Malaysia	1,107,840	442,860	56,625,936	45,075
	8,604,894	4,647,925	349,914,647	416,323

* Non-current assets consist of right-of-use assets, property, plant and equipment, goodwill and intangible assets.

54 CAPITAL MANAGEMENT AND CAPITAL ADEQUACY

(i) Capital Management

The overall capital management objective is to manage capital prudently and to maintain a strong capital position to drive sustainable business growth and seek strategic opportunities to enhance shareholders' value, and to be in line with its risk appetite.

Capital adequacy is the extent to which capital resources on the Group's balance sheet are sufficient to cover current business capital requirements and in the foreseeable future. It also indicates the ability of the Group to provide financing across the business cycles and in meeting any contingency without compromising the interest of the depositors and investors. The Group aims to maintain a strong capital position to drive sustainable business growth through an optimal capital structure while meeting regulatory requirements.

The Group's comprehensive capital management strives for a sound capital management that is aligned to BNM's ICAAP requirements. The Group also establishes a capital contingency funding plan that forms part of the capital plan. The capital plan, together with the analysis and proposed actions, are reviewed by the Group Chief Financial Officer and deliberated at the respective committees before submission to the relevant Boards for approval.

(ii) Capital Adequacy

BNM Guidelines on capital adequacy requires the Group, the Bank and the banking subsidiaries to maintain an adequate level of capital to withstand any losses which may result from credit and other risks associated with financing operations. The capital adequacy ratio is computed based on the eligible capital in relation to the total risk-weighted assets as determined by BNM.

RHB Bank Cambodia, a wholly-owned subsidiary of the Bank, is subject to National Bank of Cambodia's capital adequacy requirements.

54 CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (CONTINUED)
(ii) Capital Adequacy (continued)

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

	Group		Bank [®]	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Common Equity Tier I ('CET I')/Tier I Capital				
Share capital	8,701,097	8,687,255	8,701,097	8,687,255
Retained profits	22,001,930	20,754,636	16,195,835	15,135,470
Other reserves	453,395	821,206	465,010	650,696
FVOCI reserves	679,957	167,360	618,014	161,618
	31,836,379	30,430,457	25,979,956	24,635,039
Less:				
Goodwill	(2,633,383)	(2,633,383)	(1,714,913)	(1,714,913)
Intangible assets (include associated deferred tax liabilities)	(656,893)	(685,462)	(608,775)	(629,234)
Deferred tax assets	(631,586)	(304,594)	(369,487)	(230,097)
55% of cumulative gains arising from change in value of FVOCI instruments	(373,976)	(92,048)	(339,908)	(88,890)
Investments in subsidiaries	(103,940)	(102,425)	(4,486,267)	(4,377,826)
Investments in associates	(64,675)	(74,535)	(144,800)	(110,800)
Other deductions [#]	(97,544)	(30,612)	(79,455)	(29,884)
Total CET I Capital	27,274,382	26,507,398	18,236,351	17,453,395
Qualifying non-controlling interests recognised as Tier I Capital	197	121	-	-
Total Tier I Capital	27,274,579	26,507,519	18,236,351	17,453,395
Tier II Capital				
Subordinated obligations meeting all relevant criteria	2,499,557	2,499,601	2,499,557	2,499,601
Qualifying capital instruments of a subsidiary issued to third parties [†]	470,757	448,027	-	-
Surplus eligible provisions over expected losses	664,286	580,215	468,809	410,092
General provisions [^]	428,968	457,901	316,357	326,143
Investment in capital instrument of financial and insurance/takaful entities	-	-	(81,166)	(89,387)
Total Tier II Capital	4,063,568	3,985,744	3,203,557	3,146,449
Total Capital	31,338,147	30,493,263	21,439,908	20,599,844

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

54 CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (CONTINUED)

(ii) Capital Adequacy (continued)

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

	Group		Bank [®]	
	2025	2024	2025	2024
<u>Capital ratios</u>				
Before proposed dividends:				
CET I Capital Ratio	16.138%	17.234%	15.183%	15.959%
Tier I Capital Ratio	16.138%	17.234%	15.183%	15.959%
Total Capital Ratio	18.542%	19.826%	17.850%	18.836%
After proposed dividends:				
CET I Capital Ratio	15.234%	16.440%	13.912%	14.843%
Tier I Capital Ratio	15.234%	16.441%	13.912%	14.843%
Total Capital Ratio	17.639%	19.032%	16.579%	17.720%

[®] The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank and its wholly-owned offshore banking subsidiary, RHB Bank (L) Ltd.

[#] Pursuant to Basel II Market Risk para 5.19 & 5.20 – Valuation Adjustments, the Capital Adequacy Framework (Basel II – RWA) calculation shall account for the ageing, liquidity and holding back adjustments on its trading portfolio.

⁺ Qualifying subordinated sukuk that are recognised as Tier II capital instruments held by third parties as prescribed under paragraph 18.6 of the BNM's Guideline on Capital Adequacy Framework (Capital Components) which are issued by a fully consolidated subsidiary of the Bank.

[^] Pursuant to BNM's policy document on Financial Reporting and Financial Reporting for Islamic Banking Institutions, general provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under MFRS 9 'Financial Instruments' and regulatory reserves, to the extent they are ascribed to non-credit impaired exposures, determined under standardised approach for credit risk.

Includes the qualifying regulatory reserves of the Group and the Bank of RM240,845,000 (2024: RM257,015,000) and RM205,491,000 (2024: RM184,391,000) respectively.

54 CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (CONTINUED)
(ii) Capital Adequacy (continued)

(b) The capital adequacy ratios of RHB Islamic Bank and RHB Investment Bank are as follows:

	RHB Islamic Bank		RHB Investment Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CET I/Tier I Capital				
Share capital	1,673,424	1,673,424	1,220,000	1,220,000
Retained profits	5,185,862	4,765,880	395,252	509,809
Other reserves	1,560	1,775	5,532	5,904
FVOCI reserves	13,163	(38,571)	46,458	42,452
	6,874,009	6,402,508	1,667,242	1,778,165
Less:				
Goodwill	-	-	(372,395)	(372,395)
Investments in subsidiaries and associates	-	-	(510,713)	(512,087)
Intangible assets (include associated deferred tax liabilities)	(5,005)	(3,903)	(20,955)	(23,349)
Deferred tax assets	(240,659)	(72,134)	(20,247)	(19,311)
55% of cumulative gains arising from change in value of FVOCI instruments	(7,240)	-	(25,552)	(23,349)
Other deductions [#]	(15,818)	(352)	(3,562)	-
Total CET I Capital/Total Tier I Capital	6,605,287	6,326,119	713,818	827,674
Tier II Capital				
Subordinated sukuk	749,812	749,761	-	-
Subordinated obligations meeting all relevant criteria	-	-	100,000	100,000
Surplus eligible provisions over expected losses	196,165	170,789	-	-
General provisions [^]	72,362	86,689	10,073	8,452
Total Tier II Capital	1,018,339	1,007,239	110,073	108,452
Total Capital	7,623,626	7,333,358	823,891	936,126
Capital ratios				
Before proposed dividends:				
CET I Capital Ratio	15.443%	16.028%	32.593%	51.722%
Tier I Capital Ratio	15.443%	16.028%	32.593%	51.722%
Total Capital Ratio	17.823%	18.580%	37.619%	58.499%
After proposed dividends:				
CET I Capital Ratio	14.934%	15.477%	26.292%	45.285%
Tier I Capital Ratio	14.934%	15.477%	26.292%	45.285%
Total Capital Ratio	17.315%	18.029%	31.318%	52.062%

[#] Pursuant to Basel II Market Risk para 5.19 & 5.20 - Valuation Adjustments, the Capital Adequacy Framework (Basel II - RWA) calculation shall account for the ageing, liquidity and holding back adjustments on its trading portfolio.

[^] Pursuant to BNM's policy document on Financial Reporting and Financial Reporting for Islamic Banking Institutions, general provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under MFRS 9 'Financial Instruments' and regulatory reserves, to the extent they are ascribed to non-credit impaired exposures, determined under standardised approach for credit risk.

Includes the qualifying regulatory reserves of RHB Islamic Bank and RHB Investment Bank of RM62,064,000 (2024: RM68,891,000) and RM9,986,000 (2024: RM8,350,000) respectively.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

54 CAPITAL MANAGEMENT AND CAPITAL ADEQUACY (CONTINUED)

(ii) Capital Adequacy (continued)

(c) The breakdown of risk-weighted assets in the various categories of risk-weights are as follows:

	Group RM'000	Bank [@] RM'000	RHB Islamic Bank RM'000	RHB Investment Bank RM'000
2025				
Credit risk	145,451,209	103,460,978	38,483,161	1,207,748
Market risk	7,273,495	6,056,503	731,554	195,970
Operational risk	16,286,928	10,592,565	3,558,325	786,399
Total risk-weighted assets	169,011,632	120,110,046	42,773,040	2,190,117
2024				
Credit risk	133,334,491	94,440,104	35,399,952	676,141
Market risk	5,677,218	5,092,229	533,669	205,983
Operational risk	14,795,927	9,833,938	3,534,619	718,125
Total risk-weighted assets	153,807,636	109,366,271	39,468,240	1,600,249

[@] The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank and its wholly-owned offshore banking subsidiary, RHB Bank (L) Ltd.

Effective 1 January 2025, the Group and the Bank transitioned to the Basel III methodology for capital adequacy calculations, in line with BNM's regulatory requirements. The breakdown of risk-weighted assets by respective banking entities within the Group is based on the following approaches:

- The total risk-weighted assets of the Group and Bank are computed based on BNM's Guideline on Capital Adequacy Framework: Internal Ratings Based Approach for Credit Risk (Basel II), including Exposures to Central Counterparties (Basel III) and Standardised Approach for Market Risk (Basel II) and Operational Risk (Basel III), replacing the Basic Indicator Approach ('BIA') previously used.
- The total risk-weighted assets of RHB Islamic Bank are computed based on BNM's Capital Adequacy Framework for Islamic Banks ('CAFIB'): Internal Ratings Based Approach for Credit Risk and Standardised Approach for Market Risk (Basel II) and Operational Risk (Basel III), replacing the Basic Indicator Approach ('BIA') previously used.
- The total risk-weighted assets of RHB Investment Bank are computed based on BNM's Guideline on Risk Weighted Capital Adequacy Framework: Standardised Approach for Credit Risk (Basel II), including Exposures to Central Counterparties (Basel III) and Market Risk (Basel II) and Operational Risk (Basel III), replacing the Basic Indicator Approach ('BIA') previously used.

Risk weighted assets as at 31 December 2024 have not been restated.

(d) The capital adequacy ratios of RHB Bank Cambodia are as follows:

	2025	2024
Before proposed dividends:		
Solvency ratio	19.810%	16.749%
After proposed dividends:		
Solvency ratio	19.810%	16.749%

The Solvency Ratio of RHB Bank Cambodia is a regulatory compliance ratio in Cambodia computed in accordance with Prakas No. B7-00-46, B7-04-206 and B7-07-135 issued by the National Bank of Cambodia. This ratio is derived as RHB Bank Cambodia's net worth divided by its risk-weighted assets and off-balance sheet items. The minimum regulatory solvency ratio requirement in Cambodia is 15%. In addition, RHB Bank Cambodia is required to maintain a Capital Conservation Buffer ('CCB') of 1.25% above the minimum solvency ratio, bringing the total requirement to 16.25%.

55 FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Objectives and Policies

Risk is inherent in the Group’s activities and is managed through a process of on-going identification, measurement and monitoring, subject to limits and other controls. Besides credit risk, the Group is exposed to a range of other risk types such as market, liquidity, operational, legal, Shariah, strategic and cross-border, as well as other forms of risk inherent to its strategy, product range and geographical coverage.

Effective risk management is fundamental to being able to drive sustainable growth and shareholders’ value, while maintaining competitive advantage, and is thus a central part of the proactive risk management of the Group’s operating environment.

The Group Risk Management Framework governs the management of risks in the Group, as follows:

1. It provides a holistic overview of the risk and control environment of the Group, with risk management aimed towards loss minimisation and protection against unexpected losses which may occur through, principally, the failure of effective checks and balances in the organisation.
2. It sets out the strategic progression of risk management towards becoming a value creation enterprise. This is realised through building up capabilities and infrastructure in risk management sophistication, and enhanced risk quantification to optimise risk adjusted returns.

The Group Risk Management Framework is represented in the following diagram:



Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Key features of the framework are:

Risk Governance and Oversight

The Board of Directors sits at the apex of the risk governance structure and is ultimately responsible for the Group's/respective entities' risk management strategy, appetite, framework and oversight of risk management activities.

Group-level committees have been established to oversee the management of risks across all entities/subsidiaries on an integrated basis. These committees serve a critical function in setting strategic direction, establishing governance frameworks and promoting best practices. However, the Group maintains entity-specific committees to facilitate focused deliberation on entity specific issues e.g. the Board Risk Committee ('BRC') of RHB Bank Berhad, RHB Islamic Bank Berhad and RHB Investment Bank Berhad. These BRCs report directly to their respective Board, provides oversight and assists in reviewing the Group's overall risk management philosophy, frameworks, policies and models, as well as risk issues relevant and unique to its business.

The responsibility for the supervision of the day-to-day management of enterprise risk and capital matters is delegated to the Group Capital and Risk Committee ('GCRC'), comprising senior management of the Group. The GCRC reports to the relevant board committees and the Group Management Committee ('GMC'). The Investment Bank Risk Management Committee ('IBRMC') is responsible for oversight of risk management matters relating to RHB Investment Bank Group's business while the Group Asset and Liability Committee ('Group ALCO') oversees market risk, liquidity risk and balance sheet management.

The Group Chief Risk Officer ('GCRO') who reports directly to the Group Managing Director, is responsible for the risk management function. The main roles and responsibilities of GCRO are:

1. Facilitating the setting of the strategic direction and overall policy on management and control of risks of the Group;
2. Ensuring industry best practices in risk management are adopted across the Group, including the setting of risk management parameters and risk models;
3. Developing proactive, balanced and risk attuned culture within the Group; and
4. Advising senior management, management level committees, board level risk committees and Board of Directors of the Group's entities on risk issues and their possible impact on the Group in the achievement of its objectives and strategies.

GCRO is supported by the entities chief risk officers and various teams within risk management function:

1. The main function of entities' chief risk officers – is to assess and manage the enterprise risk and liaise with regulators in the respective country/entity under their purview. They are supported by their respective risk management teams with support from the risk management function from the Group.
2. The risk management function comprises of the teams who specialise in the respective risks and responsible for the active oversight of the Group-wide risk management function and support the respective entities/chief risk officers. Group Risk and Credit Management consist of Group Wholesale Banking Credit Management, Group Community Banking Credit Management, Enterprise Risk Management, Group Wholesale Credit Risk Management, Group Climate Risk Management, Group Community Banking Credit Risk Management, Group Market Risk Management, Group Asset and Liability Management, Group Non-Financial Risk Management, Group Technology and Cyber Risk Management, Group Shariah Risk Management, Risk Strategy, Transformation and Enterprise Risk Insights, Investment Banking and Regional Risk and Insurance Risk Management.

Risk Appetite

The Board of Directors sets the risk appetite and tolerance level that are consistent with the Group and each entity's overall business objectives and desired risk profile. It describes the types and level of risks the Group is prepared to accept in delivering its business strategies, and reported through various metrics that enable the Group to manage capital resources and shareholders' expectations.

The defined risk appetite and risk tolerance are periodically reviewed by the Management and the Board in line with the Group's business strategies and operating environment. Such review includes identifying and setting new risk appetite metrics for the business entity or removal of risk appetite metrics that are no longer applicable as well as updates on the risk appetite thresholds to be in line with the Group's business strategy and risk posture.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Key features of the framework are (continued):

Risk Culture

The Group subscribes to the principle of 'Risk and Compliance is Everyone's Responsibility' and risk management is managed via a 'three lines of defence' model. Business/functional units of the respective operating entities in the Group are collectively responsible for identifying, managing and reporting risk.

The approach is based on the 'three lines of defence' model as depicted below:

<p>FIRST LINE Business/Functional Level</p>	<ul style="list-style-type: none"> • Responsible for managing day-to-day risks and compliance issues • Business Risk and Compliance Officer/Business Risk Officer/Business Compliance Officer/equivalent is to assist business/functional unit in day-to-day risks and compliance matters
<p>SECOND LINE Group Risk & Credit Management & Group Compliance</p>	<ul style="list-style-type: none"> • Responsible for oversight, establishing governance and providing support to business/functional unit on risk and compliance matters
<p>THIRD LINE Group Internal Audit</p>	<ul style="list-style-type: none"> • Provide independent assurance to the Board of Directors that risk and compliance management functions effectively as designed

RHB Group leverages on behavioural analytics and insights in our differentiated approach to cultivate the desired risk culture behaviours. In 2025, we further enhanced our support to the Business Risk and Compliance Officer/Business Risk Officer/Business Compliance Officer via an expanded risk culture dashboard at the Group level, enabling near to real-time access to actionable insights for preventing and correcting undesirable behaviours. Additionally, the Group continued developing Machine Learning based behavioural analytics models with early warning capabilities to strengthen oversight of the second line of defence and overlay existing controls at the first line of defence. These were complimented by targeted messaging via trainings, awareness campaigns and roadshows and tone from the top messaging via comic strips to shape the desired risk culture behaviours.

Risk Management Process

The risk management process identifies, assesses and measures, controls, monitors and reports/analyses risk. This ensures that risk exposures are adequately managed and that the expected return compensates for the risk taken.

- **Identification:** The identification and analysis of the existing and potential risks is a continuing process, in order to facilitate and proactive and timely identification of risk within the Group's business operations, including emerging risks. This ensures that risks can be managed and controlled within the risk appetite of the Group and specific entity, where necessary.
- **Assessment and Measurement:** Risks are measured, assessed and aggregated using comprehensive qualitative and quantitative risk measurement methodologies, and the process also serves as an important tool as it provides an assessment of capital adequacy and solvency.
- **Controlling:** Risks identified during the risk identification process must be adequately managed and mitigated to control the risk of loss. This is also to ensure risk exposures are managed within the Group's or entity's risk appetite.
- **Monitoring:** Effective monitoring process ensures that the Group is aware of the condition of its exposures vis-à-vis its approved appetite and emerging risk trend to facilitate early identification of potential problem on a timely basis by using continuous and on-going monitoring of risk exposures and risk control/mitigation measures.
- **Analytics and Reporting:** Risk analysis and reports are prepared by the respective entities and at a consolidated level as well as business level; and are regularly escalated to the senior management and relevant Boards of the Group's entities to ensure that the risks identified remain within the established appetite and to support an informed decision-making process. Reporting and analytics are also being continuously enhanced to provide risk intelligence to relevant stakeholders within the Group to facilitate more effective decision making.

In addition, risk management seeks to ensure that risk decisions are consistent with strategic business objectives and within the risk appetite.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Key features of the framework are (continued):

Risk Documentation

The Group recognises that effective implementation of the risk management system and process must be supported by a robust set of documentation. Towards this end, the Group has established frameworks, policies and other relevant control documents to ensure clearly defined practices and processes are effected consistently across the Group. Documents are subject to a robust review process to ensure they remain current.

Risk Infrastructure

The Group has organised its resources and talents into dedicated risk management functions, and invested in technology, including data management to support the Group's risk management activities. Staff have been assigned clear roles and responsibilities, provided access to relevant and up-to-date risk information, and given the latitude to continuously enhance their competency through learning and development programs.

Risk systems and tools are designed to provide accessibility of risk information that complement the risk management process. The availability of data for analytics and monitoring, and dashboards and reporting assists in continuously enhancing risk management capabilities. The Group's Risk Management Report has evolved to be more analytically-driven, including elements of quantitative and qualitative forward-looking projections.

Effective risk management requires the Group to continuously review its risk management capabilities to effectively manage risk and to improve risk management practices across the Group. Therefore, the Group has embarked on transformation journeys to achieve better efficiency and effectiveness.

As part of its PROGRESS 27 effort, Group Risk & Credit Management has put in place a comprehensive three-year strategic plan and initiatives centred around resiliency, agility, regulatory demand, and RHB's three-year growth strategy aligned with multi-year cost optimisation efforts.

Major Areas of Risk

As a banking institution with key activities covering retail, business banking, corporate banking and advisory services, treasury products and services, and securities and futures related business, the Group is subject to business risks which are inherent in the financial services industry. Generally, these business risks can be broadly classified as follows:

- (i) Credit risk – the risk of loss arising from customers' or counterparties' failure to fulfil their financial and contractual obligations in accordance to the agreed terms. It stems primarily from the Group's and the Bank's lending/financing, trade finance placement, underwriting, investment, hedging and trading activities from both on- and off-balance sheet transactions. Credit risk does not typically happen in isolation as depending on certain risk events (e.g. fluctuation of interest/profit rate, foreign exchange) presence of other risks may also arise.
- (ii) Market risk – the risk of losses arising from adverse movements in market drivers, such as interest/profit rates, credit spreads, equity prices, currency exchange rates and commodity prices. Under this definition, market risk will constitute:
 - the interest/profit rate and equity risks pertaining to financial instruments in the trading book; and
 - foreign exchange risk and commodities risk in the trading and banking books.
- (iii) Liquidity risk – the risk of the Group and the Bank being unable to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due and transact at a reasonable cost. Liquidity risk also arises from the inability to manage unplanned decreases or changes in funding sources.
- (iv) Operational risk – the risk of loss resulting from inadequate or failed internal processes, people, systems and/or external events, which also includes IT, legal and Shariah non-compliance risk but excludes strategic and reputational risk.
- (v) Technology and Cyber risk – Technology risk is the business risk associated with the use, ownership, operation, involvement, influence and adoption of IT within an enterprise while Cyber risk refers to threats or vulnerabilities emanating from the connectivity of internal infrastructure to external networks or the Internet.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Major Areas of Risk (continued)

To mitigate the various business risks of the Group and the Bank, the following has been put in place:

Credit Risk

- The Group and the Bank abide to the Board approved credit policy which supports the development of a strong credit culture and with the objective of maintaining a well-diversified portfolio that addresses credit risk, and mitigates concern for unexpected losses.
- Regulatory requirement and industry best practices are incorporated into the approved policy.
- Group Credit Committee ('GCC') is responsible for ensuring adherence to the Board approved credit risk appetite as well as the effectiveness of credit risk management. GCC is the senior management committee empowered to approve or reject all financial investments, counterparty credit and lending/financing up to the defined threshold limits.
- Group Investment Underwriting Committee ('GIUC') deliberates, approves and rejects stockbroking/equities/futures business related proposals such as equity underwriting, equity derivatives and structured products, and share margin financing.
- GCC and GIUC submit to the Board Credit Committee ('BCC') for affirmation or veto if the financing facilities exceed a pre-defined threshold.
- The Group and the Bank also ensure that internal processes and credit underwriting standards are adhered to before credit proposals are approved. All credit proposals are first evaluated by the originating business units before being evaluated by Group Wholesale Banking Credit Management and Group Community Banking Credit Management prior to submission to the relevant committees for approval. With the exception of credit applications for consumer and approved products under program lending/financing which can be auto approved by loans/financing origination system or business units' supervisors, all other credit facilities are subject to independent assessment by a team of dedicated and experienced credit evaluators in Head Office. For proper checks and controls, joint or escalated approval is required for all discretionary lending between business and independent credit underwriters. Loans/financing which are beyond the delegated lending authority limits will be escalated to the relevant committees for approval.
- Internal credit rating models are an integral part of the Group's and the Bank's credit risk management, decision-making process, and regulatory capital calculations.
- Clients' accounts are reviewed at regular intervals and weakening credits are transferred to Loan Recovery for more effective management.
- Counterparty, industry and product exposure limits/directions are set and risk reward relationships are mapped with the aim of maintaining a diverse credit profile and track the changing risk concentrations in response to market changes and external events.
- The Bank applies the Internal Ratings-Based ('IRB') approach for credit risk, whereby more advanced Basel II approaches and key program components are implemented, which includes (i) enhancing the returns of the Bank using established credit risk framework and methodologies, (ii) implementing and using empirical credit scoring models for consumer financing and credit rating models for business loans/financing, and (iii) designing and implementing modelling of expected and unexpected losses.
- The Bank has embarked on an end-to-end credit transformation journey to support business growth while protecting the asset quality. It covers the core business segments of Group Community Banking (i.e. retail) and Group Corporate & Business Banking (i.e. Corporate Banking, Commercial Banking and SME Banking). To date, business improvements have been observed in credit approval, turnaround time and collection/recovery, through the implementation/pilot run; and enhanced early warning capabilities.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Major Areas of Risk (continued)

To mitigate the various business risks of the Group and the Bank, the following has been put in place (continued):

Market Risk

- A framework of risk policies, measurement methodologies and limits, as approved by the Board, which controls the Group's and the Bank's financial market activities as well as to identify potential risk areas early in order to mitigate against any adverse effects arising from market volatility.
- The management committees – namely Group ALCO, the GCRC and IBRMC play a critical role in overseeing the management of market risk and support the board risk committees in their oversight of market risk management.
- The Group Market Risk Management operates as a centralised function that supports senior management in the development of the market risk framework, establishment of risk limits, operationalisation of processes and implementation of measurement methodologies, to ensure adequate risk control and oversight are in place.
- The Group and the Bank apply risk monitoring and assessment tools to measure trading book positions and market risk factors. Statistical and non-statistical risk assessment tools applied include Value-at-Risk ('VaR'), sensitivity analysis and stress testing.
- Market risk is primarily monitored and controlled through a structure of limits and triggers i.e. cut loss, VaR, trading limit and notional limit, which are set in accordance with the size of positions and risk tolerance appetites.
- Periodic stress testing is conducted to assess market risk under abnormal market conditions.

Liquidity Risk

- The Group ALCO plays a fundamental role in the asset and liability management of the Group and the Bank, and establishes strategies to assist in controlling and reducing any potential exposures to liquidity risk.
- The liquidity risk management process involves establishing liquidity risk management policies and limits, regular monitoring against liquidity risk limits, regular stress testing, and establishing contingency funding plans. These processes are subject to regular reviews to ensure that they remain relevant in the context of prevailing market conditions.
- Minimum liquid assets buffer, capping on large depositor concentration and sufficient long term funding are available to meet obligations and aligned to Liquidity Coverage Ratio and Net Stable Funding Ratio to ensure adequate cover for withdrawals arising from unexpected levels of demand.
- Defined liquidity management ratios are maintained and monitored.
- The Group and the Bank have established Group Liquidity Incident Management Plan Guidelines to manage any potential adverse liquidity incidences, and which can be implemented on a timely basis so that appropriate actions can be taken to mitigate against any unexpected market developments.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial Risk Management Objectives and Policies (continued)

Major Areas of Risk (continued)

To mitigate the various business risks of the Group and the Bank, the following has been put in place (continued):

Operational Risk

- The Group Non-Financial Risk Management function is responsible for the development of group-wide operational risk policies, framework and methodologies, and providing guidance and information to the business units on operational risk matters. The respective business units are primarily responsible for managing operational risk on a day-to-day basis. Some of the operational risk tools used include Risk and Control Self-Assessment, Key Risk Indicators, Key Control Testing, Incident Management and Loss Data Collection and Operational Risk Scenario Analysis.
- The Group's and the Bank's operational risk management system has integrated applications to support the operational risk management process (i.e. assessment, reporting, database/library).
- The Group and the Bank have Business Continuity Management ('BCM') programme for the major critical business operations and activities at the Head Office, data centre, and branches' locations. The BCM programme is subject to regular testing to validate adequacy and preparedness of all resources to support critical and essential services in the event of disruption. There are ongoing continuous improvement initiatives to build operational resilience to ensure sustainability of critical services.
- There is continuous refinement of existing policies, procedures and internal control measures; and regular internal review, compliance monitoring, and audits are performed to prevent and/or minimise unexpected losses.
- Regular operational risk reporting is made to senior management, relevant committees and board to facilitate the identification of adverse operational lapses, taking of prompt corrective actions, and ensuring appropriate risk mitigations are implemented.

Technology & Cyber Risk

- The Group Technology & Cyber Risk Management function is responsible for the establishment of group-wide technology and cyber risk management framework, policy and guideline, as well as providing guidance and consultation to the business and functional units on technology and cyber risk areas.
- There is continuous enhancement of existing Group policies, procedures and internal control measures in line with regulatory requirements; with regular independent assessment on areas pertaining to technology and cyber risks to prevent and/or minimise unexpected losses. The New Responsible & Ethical Artificial Intelligence Risk Management ('REAIRM') Guideline was established to embed trust, fairness, and accountability into all AI-driven initiative, enabling the Group to harness AI's full potential while maintaining public confidence and ethical integrity.
- Development of policies and mitigating controls are made reference to industry standards such as ISO/IEC: 27001:2022 and the National Institute of Standards and Technology ('NIST') Cyber Security Framework.
- Regular technology and cyber risk reporting is made to senior management, relevant senior management and board committees to facilitate a risk informed decision by proactively identifying emerging technology and cyber threats, assessment on the effectiveness of the controls implemented and the recommendation of new appropriate controls.
- In addition to the above, amongst others, the key risk management tools and mechanisms to manage Technology & Cyber Risk in RHB Group are:
 - (i) Subscription to threat intelligence service providers for the latest cyber threats incidence, threat actors, exploit techniques and modus operandi in compromising an organisation.
 - (ii) Periodic assessment of existing cybersecurity mitigation controls via Red Team assessment and compromise assessment.
 - (iii) Regular phishing simulations using different themes targeting internal staff to foster a culture of cybersecurity awareness.
 - (iv) Continuous education and awareness on technology and cyber risks to Board, business and functional units, new recruits and third party service providers via Computer Based Training, classroom training and regular email broadcast communication through dissemination of best practices bulletin. Security awareness initiatives are also extended to play active role in Crisis Simulation Exercise ('CSE') to evaluate the Group's cyber crisis management capabilities which allow the Group to assess the effectiveness of existing controls, validate business continuity measures and provide strategic input on technology and cyber risk response to the Management and the Board.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market Risk

Market risk sensitivity assessment is based on the changes in key variables, such as interest/profit rates and foreign currency rates, while all other variables remain unchanged. The sensitivity factors applied are based on assumptions of parallel shifts in the key variables to project the impact on the assets and liabilities position of the Group and the Bank.

The scenarios used are based on the assumption that all key variables for all maturities move simultaneously and by the same magnitude. They do not incorporate any mitigating actions that may otherwise be taken by the business units and risk management to mitigate the impact of this movement in key variables. The Group and the Bank seek to ensure that the interest/profit rate risk profile is managed to minimise losses and optimise net revenues.

(i) Interest/Profit rate sensitivity analysis

The interest/profit rate sensitivity results below shows the impact on profit after tax and reserves of financial assets and financial liabilities bearing floating interest/profit rates and fixed rate financial assets and financial liabilities:

Increase/(Decrease)	Group		Bank	
	Impact on profit after tax RM'000	Impact on reserves RM'000	Impact on profit after tax RM'000	Impact on reserves RM'000
2025				
+100 bps	207,870	(1,602,912)	29,897	(1,340,009)
-100 bps	(158,647)	1,789,048	17,801	1,493,762
2024				
+100 bps	268,335	(1,279,210)	103,045	(1,060,879)
-100 bps	(251,997)	1,414,329	(87,054)	1,171,373

The results above represent financial assets and liabilities that have been prepared on the following basis:

- Impact on the profit after tax is the sum of valuation changes on interest/profit rate instruments held in the trading portfolio and earnings movement for all short-term interest/profit rate sensitive assets and liabilities (with maturity or re-pricing tenure of up to one year) that is not held in the trading portfolio. Earnings movement for the short-term interest/profit rate sensitive assets and liabilities uses a set of risk weights with its respective time band to simulate the 100 bps (2024: 100 bps) interest/profit rate change impact. For assets and liabilities with non-fixed maturity e.g. current and savings accounts, certain assumptions are made to reflect the actual sensitivity behaviour of these interest/profit bearing assets and liabilities.
- Impact on reserves represent the changes in fair values of interest/profit rate instruments held in the FVOCI portfolio arising from the shift in the interest/profit rate.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(b) Market Risk (continued)

(ii) Foreign currency sensitivity analysis

The foreign currency sensitivity represents the effect of the appreciation or depreciation of the foreign currency rates on the consolidated currency position, while other variables remain constant.

Impact on profit after tax	Group Change in currency rates		Bank Change in currency rates	
	+10% RM'000	-10% RM'000	+10% RM'000	-10% RM'000
2025				
United States Dollar ('USD')	(24,020)	24,020	(26,753)	26,753
Cambodian Riel ('KHR')	17,430	(17,430)	-	-
Australian Dollar ('AUD')	(1,113)	1,113	(1,305)	1,305
Pound Sterling ('GBP')	5,431	(5,431)	7,862	(7,862)
Others	2,663	(2,663)	(1,394)	1,394
	391	(391)	(21,590)	21,590
2024				
USD	(39,708)	39,708	(41,099)	41,099
KHR	19,378	(19,378)	-	-
AUD	2,469	(2,469)	2,681	(2,681)
GBP	10,465	(10,465)	9,435	(9,435)
Others	5,170	(5,170)	(782)	782
	(2,226)	2,226	(29,765)	29,765

Impact on the profit after tax is estimated on the assumption that foreign exchange moves by the same amount and all other variables are held constant and are based on a constant reporting date position.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market Risk (continued)

Interest/Profit rate risk

The table below summarises the Group and the Bank's exposure to interest/profit rate risk. The carrying amount of assets and liabilities (include non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates:

	Non-trading book							Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-3 years RM'000	Over 3 years RM'000				
Group										
2025										
ASSETS										
Cash and short-term funds	2,254,937	-	-	-	-	-	4,393,046	-	6,647,983	
Securities purchased under resale agreements	-	19,813	14,661	-	-	-	-	-	34,474	
Deposits and placements with banks and other financial institutions	187	112,165	63,106	297,204	-	-	76,285	-	548,947	
Financial assets at FVTPL	-	-	-	-	-	-	-	5,858,917	5,858,917	
Financial assets at FVOCI	965,955	1,893,486	1,529,083	2,052,608	7,550,677	40,599,149	1,432,954	-	56,023,912	
Financial investments at amortised cost	1,395,867	3,409,422	2,571,508	6,273,434	4,664,730	9,387,425	113,024	-	27,815,410	
Loans, advances and financing	199,988,091	24,263,480	3,697,530	1,773,268	3,705,569	12,695,001	1,787,469	-	247,910,408	
Clients' and brokers' balances	6,072	-	-	-	-	-	735,541	-	741,613	
Insurance/reinsurance contract assets	-	-	-	-	-	-	470,850	-	470,850	
Other assets	61,976	74,727	77,021	52,442	39,562	54,959	1,714,698	-	2,075,385	
Derivative assets	-	83	2,928	197	59,326	8,179	-	2,381,885	2,452,598	
Statutory deposits	-	-	-	42,612	-	-	2,243,768	-	2,286,380	
Tax recoverable	-	-	-	-	-	-	80,447	-	80,447	
Deferred tax assets	-	-	-	-	-	-	523,223	-	523,223	
Investments in associates	-	-	-	-	-	-	64,675	-	64,675	
Right-of-use assets	-	-	-	-	-	-	111,586	-	111,586	
Property, plant and equipment	-	-	-	-	-	-	989,733	-	989,733	
Goodwill	-	-	-	-	-	-	2,649,307	-	2,649,307	
Intangible assets	-	-	-	-	-	-	818,394	-	818,394	
TOTAL ASSETS	204,673,085	29,773,176	7,955,837	10,491,765	16,019,864	62,744,713	18,205,000	8,240,802	358,104,242	

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(b) Market Risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group and the Bank's exposure to interest/profit rate risk. The carrying amount of assets and liabilities (include non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates (continued):

	Non-trading book							Non-interest sensitive	Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years	RM'000			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Group										
2025										
LIABILITIES										
Deposits from customers	70,457,101	48,509,769	48,469,433	27,783,012	1,665,863	23,490	55,628,531	-	252,537,199	
Deposits and placements of banks and other financial institutions	11,700,367	10,046,094	3,394,422	1,013,748	837,625	3,934,127	91,444	-	31,017,827	
Obligations on securities sold under repurchase agreements	2,874,216	3,053,954	1,116,301	355,159	-	-	41,098	-	7,440,728	
Investment accounts	-	11,000	-	-	-	-	4	-	11,004	
Bills and acceptances payable	283,233	-	-	-	-	-	-	-	283,233	
Clients' and brokers' balances	-	-	-	-	-	-	848,739	-	848,739	
Insurance/reinsurance contract liabilities	-	-	-	-	-	-	1,186,590	-	1,186,590	
Other liabilities	138,563	200,741	171,777	1,137,601	382,210	3,205,117	3,990,920	-	9,226,929	
Derivative liabilities	425	136	-	4,056	8,521	-	-	2,795,429	2,808,567	
Recourse obligation on loans sold to Cagamas	-	-	-	600,000	2,150,000	-	22,403	-	2,772,403	
Provision for taxation and zakat	-	-	-	-	-	-	97,704	-	97,704	
Deferred tax liabilities	-	-	-	-	-	-	14,673	-	14,673	
Lease liabilities	5,915	10,902	14,552	25,149	38,474	27,314	-	-	122,306	
Borrowings	40,161	2,820,520	988,518	1,286,561	-	-	8,651	-	5,144,411	
Senior debt securities	-	-	3,731,805	-	1,515,390	1,749,181	23,577	-	7,019,953	
Subordinated obligations	-	-	499,982	-	1,349,829	1,505,557	26,504	-	3,381,872	
TOTAL LIABILITIES	85,499,981	64,653,116	58,386,790	32,205,286	7,947,912	10,444,786	61,980,838	2,795,429	323,914,138	
Shareholders' funds	-	-	-	-	-	-	34,146,118	-	34,146,118	
NCI	-	-	-	-	-	-	43,986	-	43,986	
TOTAL LIABILITIES AND EQUITY	85,499,981	64,653,116	58,386,790	32,205,286	7,947,912	10,444,786	96,170,942	2,795,429	358,104,242	
On-balance sheet interest sensitivity gap	119,173,104	(34,879,940)	(50,430,953)	(21,713,521)	8,071,952	52,299,927				
Off-balance sheet interest sensitivity gap	5,336,000	4,484,000	(500,000)	(45,000)	(8,775,000)	(500,000)				
TOTAL INTEREST SENSITIVITY GAP	124,509,104	(30,395,940)	(50,930,953)	(21,758,521)	(703,048)	51,799,927				

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market Risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group and the Bank's exposure to interest/profit rate risk. The carrying amount of assets and liabilities (include non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates (continued):

	Non-trading book						Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-3 years RM'000	Over 3 years RM'000			
Group									
2024									
ASSETS									
Cash and short-term funds	6,855,594	-	-	-	-	-	4,696,053	-	11,551,647
Securities purchased under resale agreements	31,471	27,884	-	-	-	-	-	-	59,355
Deposits and placements with banks and other financial institutions	-	515,830	49,661	234,893	-	-	10,796	-	811,180
Financial assets at FVTPL	-	-	-	-	-	-	-	5,699,882	5,699,882
Financial assets at FVOCI	1,394,887	3,185,301	1,666,537	1,551,244	8,277,540	34,386,341	1,314,745	-	51,776,595
Financial investments at amortised cost	2,344,230	4,069,008	3,075,648	4,610,816	5,218,100	10,568,212	226,455	-	30,112,469
Loans, advances and financing	189,137,407	20,757,576	4,995,558	1,852,599	1,798,838	14,197,836	2,227,834	-	234,967,648
Clients' and brokers' balances	4,825	-	-	-	-	-	750,189	-	755,014
Insurance/reinsurance contract assets	-	-	-	-	-	-	499,692	-	499,692
Other assets	86,924	126,784	67,862	36,987	72,738	116,005	1,429,184	-	1,936,484
Derivative assets	12	-	4,047	1,704	64,406	33,059	-	2,645,195	2,748,423
Statutory deposits	-	-	-	33,521	-	-	3,796,302	-	3,829,823
Tax recoverable	-	-	-	-	-	-	88,573	-	88,573
Deferred tax assets	-	-	-	-	-	-	355,402	-	355,402
Investments in associates	-	-	-	-	-	-	74,535	-	74,535
Right-of-use assets	-	-	-	-	-	-	142,057	-	142,057
Property, plant and equipment	-	-	-	-	-	-	1,018,277	-	1,018,277
Goodwill	-	-	-	-	-	-	2,649,307	-	2,649,307
Intangible assets	-	-	-	-	-	-	838,284	-	838,284
TOTAL ASSETS	199,855,350	28,682,383	9,859,313	8,321,764	15,431,622	59,301,453	20,117,685	8,345,077	349,914,647

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(b) Market Risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group and the Bank's exposure to interest/profit rate risk. The carrying amount of assets and liabilities (include non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates (continued):

	Non-trading book						Non-interest sensitive	Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
2024									
LIABILITIES									
Deposits from customers	67,191,195	50,761,454	44,856,435	33,287,766	3,347,559	68,971	50,052,090	-	249,565,470
Deposits and placements of banks and other financial institutions	3,396,672	5,224,820	11,292,309	1,545,031	1,889,583	3,738,424	118,182	-	27,205,021
Obligations on securities sold under repurchase agreements	4,741,296	7,930,452	467,745	-	205,154	-	67,741	-	13,412,388
Investment accounts	185,000	100	-	500,000	-	449,991	123,713	-	1,258,804
Bills and acceptances payable	261,592	-	-	-	-	-	-	-	261,592
Clients' and brokers' balances	-	-	-	-	-	-	841,715	-	841,715
Insurance/reinsurance contract liabilities	-	-	-	-	-	-	1,156,004	-	1,156,004
Other liabilities	148,894	158,233	105,974	546,818	607,815	2,059,885	2,810,269	-	6,437,888
Derivative liabilities	-	-	-	845	1,504	978	-	2,281,841	2,285,168
Recourse obligation on loans sold to Cagamas	-	-	-	990,008	1,100,000	-	14,350	-	2,104,358
Provision for taxation and zakat	-	-	-	-	-	-	100,577	-	100,577
Deferred tax liabilities	-	-	-	-	-	-	26,748	-	26,748
Lease liabilities	4,920	11,271	15,719	28,243	48,991	41,772	-	-	150,916
Borrowings	519,140	2,093,764	-	-	-	-	9,603	-	2,622,507
Senior debt securities	-	-	-	299,973	3,940,418	2,309,052	24,416	-	6,573,859
Subordinated obligations	-	-	499,982	499,950	1,349,804	999,865	30,667	-	3,380,268
TOTAL LIABILITIES	76,448,709	66,180,094	57,238,164	37,698,634	12,490,828	9,668,938	55,376,075	2,281,841	317,383,283
Shareholders' funds	-	-	-	-	-	-	32,492,219	-	32,492,219
NCI	-	-	-	-	-	-	39,145	-	39,145
TOTAL LIABILITIES AND EQUITY	76,448,709	66,180,094	57,238,164	37,698,634	12,490,828	9,668,938	87,907,439	2,281,841	349,914,647
On-balance sheet interest sensitivity gap	123,406,641	(37,497,711)	(47,378,851)	(29,376,870)	2,940,794	49,632,515			
Off-balance sheet interest sensitivity gap	1,160,000	2,230,000	(630,000)	(325,000)	(2,019,000)	(416,000)			
TOTAL INTEREST SENSITIVITY GAP	124,566,641	(35,267,711)	(48,008,851)	(29,701,870)	921,794	49,216,515			

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market Risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group and the Bank's exposure to interest/profit rate risk. The carrying amount of assets and liabilities (include non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates (continued):

	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-3 years RM'000	Over 3 years RM'000	Non- interest sensitive RM'000		
Bank									
2025									
ASSETS									
Cash and short-term funds	3,420,325	-	-	-	-	-	3,597,775	-	7,018,100
Deposits and placements with banks and other financial institutions	-	4,157,659	3,489,779	867,222	-	-	34,543	-	8,549,203
Investment account due from designated financial institutions	-	300,000	100,000	2,650,000	750,000	2,783,468	136,408	-	6,719,876
Financial assets at FVTPL	-	-	-	-	-	-	-	2,797,386	2,797,386
Financial assets at FVOCI	965,955	1,758,281	1,463,851	1,369,515	5,396,758	34,428,451	1,283,232	-	46,666,043
Financial investments at amortised cost	1,164,406	1,831,701	1,841,486	4,202,267	2,194,657	5,987,490	46,811	-	17,268,818
Loans, advances and financing	111,589,263	18,951,125	2,825,539	1,564,665	2,905,645	2,798,924	559,105	-	141,194,266
Other assets	54,068	73,623	66,526	52,442	39,562	54,959	1,827,399	-	2,168,579
Derivative assets	-	-	1,975	197	35,491	-	-	2,556,463	2,594,126
Statutory deposits	-	-	-	-	-	-	1,152,093	-	1,152,093
Deferred tax assets	-	-	-	-	-	-	257,536	-	257,536
Investments in subsidiaries	-	-	-	-	-	-	4,806,459	-	4,806,459
Investments in associates	-	-	-	-	-	-	144,800	-	144,800
Right-of-use assets	-	-	-	-	-	-	84,855	-	84,855
Property, plant and equipment	-	-	-	-	-	-	780,971	-	780,971
Goodwill	-	-	-	-	-	-	1,714,913	-	1,714,913
Intangible assets	-	-	-	-	-	-	731,299	-	731,299
TOTAL ASSETS	117,194,017	27,072,389	9,789,156	10,706,308	11,322,113	46,053,292	17,158,199	5,353,849	244,649,323

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(b) Market Risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group and the Bank's exposure to interest/profit rate risk. The carrying amount of assets and liabilities (include non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates (continued):

	Non-trading book							Non-interest sensitive	Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years	RM'000			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Bank										
2025										
LIABILITIES										
Deposits from customers	47,724,360	26,938,063	27,159,434	14,393,366	202,850	13,938	35,216,793	-	151,648,804	
Deposits and placements of banks and other financial institutions	12,713,548	11,383,063	3,370,449	734,255	789,406	3,395,291	97,171	-	32,483,183	
Obligations on securities sold under repurchase agreements	2,972,632	3,556,317	3,051,873	1,878,100	-	-	109,467	-	11,568,389	
Bills and acceptances payable	281,027	-	-	-	-	-	-	-	281,027	
Other liabilities	126,319	156,365	152,369	1,123,573	337,132	2,096,983	1,794,091	-	5,786,832	
Derivative liabilities	-	-	-	4,056	1,888	-	-	2,756,121	2,762,065	
Tax liabilities	-	-	-	-	-	-	4,684	-	4,684	
Lease liabilities	5,003	8,681	11,619	19,426	41,787	1,538	-	-	88,054	
Borrowings	-	1,907,402	988,518	1,286,561	-	-	5,851	-	4,188,332	
Senior debt securities	-	-	3,731,805	-	1,515,390	1,749,181	23,577	-	7,019,953	
Subordinated obligations	-	-	499,982	-	999,829	999,747	20,951	-	2,520,509	
TOTAL LIABILITIES	63,822,889	43,949,891	38,966,049	19,439,337	3,888,282	8,256,678	37,272,585	2,756,121	218,351,832	
Total equity	-	-	-	-	-	-	26,297,491	-	26,297,491	
TOTAL LIABILITIES AND EQUITY	63,822,889	43,949,891	38,966,049	19,439,337	3,888,282	8,256,678	63,570,076	2,756,121	244,649,323	
On-balance sheet interest sensitivity gap	53,371,128	(16,877,502)	(29,176,893)	(8,733,029)	7,433,831	37,796,614				
Off-balance sheet interest sensitivity gap	1,616,000	1,829,000	-	(45,000)	(3,400,000)	-				
TOTAL INTEREST SENSITIVITY GAP	54,987,128	(15,048,502)	(29,176,893)	(8,778,029)	4,033,831	37,796,614				

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market Risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group and the Bank's exposure to interest/profit rate risk. The carrying amount of assets and liabilities (include non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates (continued):

	Non-trading book						Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-6 months RM'000	>6-12 months RM'000	>1-3 years RM'000	Over 3 years RM'000			
Bank									
2024									
ASSETS									
Cash and short-term funds	9,338,933	-	-	-	-	-	3,883,253	-	13,222,186
Securities purchased under resale agreements	-	-	99,545	-	-	-	668	-	100,213
Deposits and placements with banks and other financial institutions	-	5,515,982	1,807,514	236,406	446,938	-	30,603	-	8,037,443
Investment account due from designated financial institutions	-	300,000	-	1,601,193	768,000	1,863,022	108,660	-	4,640,875
Financial assets at FVTPL	-	-	-	-	-	-	-	3,082,107	3,082,107
Financial assets at FVOCI	1,394,887	2,955,069	1,451,213	1,270,180	6,306,216	28,518,768	1,170,781	-	43,067,114
Financial investments at amortised cost	2,172,010	2,101,880	2,314,529	2,803,679	3,413,171	6,072,593	52,482	-	18,930,344
Loans, advances and financing	108,336,710	16,790,061	3,853,528	1,689,718	1,631,275	4,096,822	823,626	-	137,221,740
Other assets	82,912	122,480	58,230	36,887	72,738	100,601	2,037,017	-	2,510,865
Derivative assets	12	-	1,303	1,314	17,458	27,288	-	2,784,932	2,832,307
Statutory deposits	-	-	-	-	-	-	1,889,262	-	1,889,262
Deferred tax assets	-	-	-	-	-	-	253,475	-	253,475
Investments in subsidiaries	-	-	-	-	-	-	4,698,018	-	4,698,018
Investments in associates	-	-	-	-	-	-	110,800	-	110,800
Right-of-use assets	-	-	-	-	-	-	80,255	-	80,255
Property, plant and equipment	-	-	-	-	-	-	786,640	-	786,640
Goodwill	-	-	-	-	-	-	1,714,913	-	1,714,913
Intangible assets	-	-	-	-	-	-	742,358	-	742,358
TOTAL ASSETS	121,325,464	27,785,472	9,585,862	7,639,377	12,655,796	40,679,094	18,382,811	5,867,039	243,920,915

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Market Risk (continued)

Interest/Profit rate risk (continued)

The table below summarises the Group and the Bank's exposure to interest/profit rate risk. The carrying amount of assets and liabilities (include non-financial instruments) are categorised by the earlier of contractual re-pricing or maturity dates (continued):

	Non-trading book						Non-interest sensitive	Trading book	Total
	Up to 1 month	>1-3 months	>3-6 months	>6-12 months	>1-3 years	Over 3 years			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank									
2024									
LIABILITIES									
Deposits from customers	46,675,310	28,586,366	26,400,304	17,910,492	1,897,387	13,931	33,594,987	-	155,078,777
Deposits and placements of banks and other financial institutions	3,083,904	4,873,440	14,155,969	1,410,052	1,827,745	3,343,328	120,238	-	28,814,676
Obligations on securities sold under repurchase agreements	6,903,615	8,121,712	971,840	-	205,154	-	71,140	-	16,273,461
Bills and acceptances payable	258,887	-	-	-	-	-	-	-	258,887
Other liabilities	139,198	147,997	101,816	543,131	533,065	1,142,829	1,529,226	-	4,137,262
Derivative liabilities	-	-	-	155	11	145	-	2,483,434	2,483,745
Recourse obligation on loans sold to Cagamas	-	-	-	890,008	-	-	10,016	-	900,024
Tax liabilities	-	-	-	-	-	-	20,904	-	20,904
Lease liabilities	3,792	8,670	12,116	19,647	33,439	4,159	-	-	81,823
Borrowings	446,938	1,311,623	-	-	-	-	5,709	-	1,764,270
Senior debt securities	-	-	-	299,973	3,940,418	2,309,052	24,416	-	6,573,859
Subordinated obligations	-	-	499,982	499,950	999,804	499,865	22,430	-	2,522,031
TOTAL LIABILITIES	57,511,644	43,049,808	42,142,027	21,573,408	9,437,023	7,313,309	35,399,066	2,483,434	218,909,719
Total equity	-	-	-	-	-	-	25,011,196	-	25,011,196
TOTAL LIABILITIES AND EQUITY	57,511,644	43,049,808	42,142,027	21,573,408	9,437,023	7,313,309	60,410,262	2,483,434	243,920,915
On-balance sheet interest sensitivity gap	63,813,820	(15,264,336)	(32,556,165)	(13,934,031)	3,218,773	33,365,785			
Off-balance sheet interest sensitivity gap	229,000	431,000	(200,000)	(100,000)	(431,000)	71,000			
TOTAL INTEREST SENSITIVITY GAP	64,042,820	(14,833,336)	(32,756,165)	(14,034,031)	2,787,773	33,436,785			

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity Risk

Liquidity obligations arise from withdrawals of deposits, repayments of funds upon maturity, extensions of credit and working capital needs etc. The Group and the Bank have adopted the BNM's liquidity standard on Liquidity Coverage Ratio ('LCR'), to ensure maintenance of adequate stock of unencumbered high-quality liquid assets to survive the liquidity needs for 30 calendar day under liquidity stress condition; as well as Net Stable Funding Ratio ('NSFR') which requires the maintenance of stable funding profile to support their assets and off-balance sheet activities. Both the LCR and NSFR at RHB Banking Group level have been maintained at above 100% since their adoption.

The Group and the Bank seek to project, monitor and manage its liquidity needs under normal as well as adverse circumstances. The Group and the Bank did not have any defaults of principal and interest or other breaches with respect to its borrowings, senior debt securities and subordinated obligations during the financial years ended 31 December 2025 and 2024.

The table below analyses the carrying amount of assets and liabilities (includes non-financial instruments) based on the remaining contractual maturity:

	Up to 1 week RM'000	>1 week to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Group 2025								
ASSETS								
Cash and short-term funds	6,493,814	154,169	-	-	-	-	-	6,647,983
Securities purchased under resale agreements	-	-	19,813	14,661	-	-	-	34,474
Deposits and placements with banks and other financial institutions	10,001	5,186	147,941	83,578	302,241	-	-	548,947
Financial assets at FVTPL	17,712	141,358	412,185	92,343	368,920	2,973,171	1,853,228	5,858,917
Financial assets at FVOCI	23,054	330,788	781,589	1,712,188	2,112,410	50,173,846	890,037	56,023,912
Financial investments at amortised cost	5,871	210,558	1,171,718	1,879,317	5,155,083	19,392,863	-	27,815,410
Loans, advances and financing	15,330,366	11,580,119	8,148,548	3,176,939	2,975,175	206,699,261	-	247,910,408
Clients' and brokers' balances	713,383	24,618	-	-	-	-	3,612	741,613
Insurance/reinsurance contract assets	-	-	-	-	57,658	289,897	123,295	470,850
Other assets	464,581	302,188	189,790	113,708	129,232	181,726	694,160	2,075,385
Derivative assets	58,952	163,297	318,864	463,031	397,288	1,051,166	-	2,452,598
Statutory deposits	-	-	-	-	-	-	2,286,380	2,286,380
Tax recoverable	-	-	-	-	-	-	80,447	80,447
Deferred tax assets	-	-	-	-	-	-	523,223	523,223
Investments in associates	-	-	-	-	-	-	64,675	64,675
Right-of-use assets	-	-	-	-	-	-	111,586	111,586
Property, plant and equipment	-	-	-	-	-	-	989,733	989,733
Goodwill	-	-	-	-	-	-	2,649,307	2,649,307
Intangible assets	-	-	-	-	-	-	818,394	818,394
TOTAL ASSETS	23,117,734	12,912,281	11,190,448	7,535,765	11,498,007	280,761,930	11,088,077	358,104,242

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(c) Liquidity Risk (continued)

The table below analyses the carrying amount of assets and liabilities (include non-financial instruments) based on the remaining contractual maturity (continued):

	Up to 1 week RM'000	>1 week to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Group 2025								
LIABILITIES								
Deposits from customers	92,987,069	31,410,835	49,223,556	49,248,128	27,967,328	1,700,283	-	252,537,199
Deposits and placements of banks and other financial institutions	3,668,817	8,051,618	10,102,975	3,405,149	1,017,469	4,771,799	-	31,017,827
Obligations on securities sold under repurchase agreements	928,504	1,760,548	3,178,310	1,215,418	357,948	-	-	7,440,728
Investment accounts	-	4	11,000	-	-	-	-	11,004
Bills and acceptances payable	283,233	-	-	-	-	-	-	283,233
Clients' and brokers' balances	481,960	366,779	-	-	-	-	-	848,739
Insurance/reinsurance contract liabilities	-	-	-	-	178,448	616,143	391,999	1,186,590
Other liabilities	881,125	648,857	988,820	197,931	1,323,061	3,759,468	1,427,667	9,226,929
Derivative liabilities	26,817	411,029	586,955	537,313	496,944	749,509	-	2,808,567
Recourse obligation on loans sold to Cagamas	-	710	19,670	2,023	600,000	2,150,000	-	2,772,403
Provision for taxation and zakat	-	121	-	-	-	-	97,583	97,704
Deferred tax liabilities	-	-	-	-	-	-	14,673	14,673
Lease liabilities	104	5,811	10,902	14,552	25,149	65,788	-	122,306
Borrowings	-	40,223	8,588	988,518	1,286,561	2,820,521	-	5,144,411
Senior debt securities	-	809	-	3,754,574	-	3,264,570	-	7,019,953
Subordinated obligations	-	10,133	5,666	510,688	-	2,855,385	-	3,381,872
TOTAL LIABILITIES	99,257,629	42,707,477	64,136,442	59,874,294	33,252,908	22,753,466	1,931,922	323,914,138
Shareholders' funds	-	-	-	-	-	-	34,146,118	34,146,118
NCI	-	-	-	-	-	-	43,986	43,986
TOTAL LIABILITIES AND EQUITY	99,257,629	42,707,477	64,136,442	59,874,294	33,252,908	22,753,466	36,122,026	358,104,242

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity Risk (continued)

The table below analyses the carrying amount of assets and liabilities (include non-financial instruments) based on the remaining contractual maturity (continued):

	Up to 1 week RM'000	>1 week to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Group								
2024								
ASSETS								
Cash and short-term funds	10,818,591	733,056	-	-	-	-	-	11,551,647
Securities purchased under resale agreements	17,251	14,220	27,884	-	-	-	-	59,355
Deposits and placements with banks and other financial institutions	-	-	523,147	50,385	237,648	-	-	811,180
Financial assets at FVTPL	4,119	152,858	1,206,862	506,492	92,844	2,163,172	1,573,535	5,699,882
Financial assets at FVOCI	549,690	164,723	1,724,410	1,884,811	1,556,614	45,065,187	831,160	51,776,595
Financial investments at amortised cost	666,873	618,198	723,804	2,545,552	2,725,541	22,832,501	-	30,112,469
Loans, advances and financing	13,460,902	9,846,183	9,233,059	4,864,381	2,699,570	194,863,553	-	234,967,648
Clients' and brokers' balances	734,537	17,710	-	-	-	-	2,767	755,014
Insurance/reinsurance contract assets	-	-	-	-	76,582	297,570	125,540	499,692
Other assets	386,255	215,036	208,110	85,679	91,190	406,925	543,289	1,936,484
Derivative assets	159,962	444,393	413,926	222,767	229,740	1,277,635	-	2,748,423
Statutory deposits	-	-	-	-	-	-	3,829,823	3,829,823
Tax recoverable	-	-	-	-	-	-	88,573	88,573
Deferred tax assets	-	-	-	-	-	-	355,402	355,402
Investments in associates	-	-	-	-	-	-	74,535	74,535
Right-of-use assets	-	-	-	-	-	-	142,057	142,057
Property, plant and equipment	-	-	-	-	-	-	1,018,277	1,018,277
Goodwill	-	-	-	-	-	-	2,649,307	2,649,307
Intangible assets	-	-	-	-	-	-	838,284	838,284
TOTAL ASSETS	26,798,180	12,206,377	14,061,202	10,160,067	7,709,729	266,906,543	12,072,549	349,914,647

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(c) Liquidity Risk (continued)

The table below analyses the carrying amount of assets and liabilities (include non-financial instruments) based on the remaining contractual maturity (continued):

	Up to 1 week RM'000	>1 week to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Group								
2024								
LIABILITIES								
Deposits from customers	85,714,688	29,933,703	51,588,471	45,333,979	33,561,329	3,433,300	-	249,565,470
Deposits and placements of banks and other financial institutions	908,374	2,514,463	5,245,264	11,348,348	1,560,132	5,628,440	-	27,205,021
Obligations on securities sold under repurchase agreements	2,866,518	1,689,867	7,960,123	467,807	-	428,073	-	13,412,388
Investment accounts	110,219	75,054	114,183	-	509,357	449,991	-	1,258,804
Bills and acceptances payable	261,592	-	-	-	-	-	-	261,592
Clients' and brokers' balances	484,790	356,925	-	-	-	-	-	841,715
Insurance/reinsurance contract liabilities	-	-	-	-	185,077	575,576	395,351	1,156,004
Other liabilities	907,352	560,634	869,744	146,322	728,235	2,933,958	291,643	6,437,888
Derivative liabilities	136,427	241,362	547,955	303,200	196,386	859,838	-	2,285,168
Recourse obligation on loans sold to Cagamas	-	697	11,307	2,346	990,008	1,100,000	-	2,104,358
Provision for taxation and zakat	-	-	-	-	-	-	100,577	100,577
Deferred tax liabilities	-	-	-	-	-	-	26,748	26,748
Lease liabilities	132	4,788	11,271	15,719	28,243	90,763	-	150,916
Borrowings	72,215	4,303	5,289	-	1,229,078	1,311,622	-	2,622,507
Senior debt securities	-	-	-	24,416	299,973	6,249,470	-	6,573,859
Subordinated obligations	-	13,070	5,605	511,974	499,950	2,349,669	-	3,380,268
TOTAL LIABILITIES	91,462,307	35,394,866	66,359,212	58,154,111	39,787,768	25,410,700	814,319	317,383,283
Shareholders' funds	-	-	-	-	-	-	32,492,219	32,492,219
NCI	-	-	-	-	-	-	39,145	39,145
TOTAL LIABILITIES AND EQUITY	91,462,307	35,394,866	66,359,212	58,154,111	39,787,768	25,410,700	33,345,683	349,914,647

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity Risk (continued)

The table below analyses the carrying amount of assets and liabilities (include non-financial instruments) based on the remaining contractual maturity (continued):

	Up to 1 week RM'000	>1 week to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Bank								
2025								
ASSETS								
Cash and short-term funds	5,342,471	1,675,629	-	-	-	-	-	7,018,100
Deposits and placements with banks and other financial institutions	-	-	4,179,605	3,498,207	871,391	-	-	8,549,203
Investment account due from designated financial institutions	-	-	304,065	100,000	2,782,344	3,533,467	-	6,719,876
Financial assets at FVTPL	17,712	139,789	333,991	56,740	237,791	1,976,322	35,041	2,797,386
Financial assets at FVOCI	22,164	309,215	591,330	1,629,744	1,426,698	41,847,749	839,143	46,666,043
Financial investments at amortised cost	4,970	193,747	657,873	1,789,776	4,234,174	10,388,278	-	17,268,818
Loans, advances and financing	9,638,049	9,991,137	5,153,202	2,562,233	2,278,838	111,570,807	-	141,194,266
Other assets	356,730	697,492	182,620	102,274	80,621	184,050	564,792	2,168,579
Derivative assets	73,337	248,306	414,837	379,852	421,040	1,056,754	-	2,594,126
Statutory deposits	-	-	-	-	-	-	1,152,093	1,152,093
Deferred tax assets	-	-	-	-	-	-	257,536	257,536
Investments in subsidiaries	-	-	-	-	-	-	4,806,459	4,806,459
Investments in associates	-	-	-	-	-	-	144,800	144,800
Right-of-use assets	-	-	-	-	-	-	84,855	84,855
Property, plant and equipment	-	-	-	-	-	-	780,971	780,971
Goodwill	-	-	-	-	-	-	1,714,913	1,714,913
Intangible assets	-	-	-	-	-	-	731,299	731,299
TOTAL ASSETS	15,455,433	13,255,315	11,817,523	10,118,826	12,332,897	170,557,427	11,111,902	244,649,323
LIABILITIES								
Deposits from customers	64,098,974	17,888,768	27,347,090	27,594,508	14,500,581	218,883	-	151,648,804
Deposits and placements of banks and other financial institutions	3,680,301	9,058,244	11,441,686	3,381,174	737,035	4,184,743	-	32,483,183
Obligations on securities sold under repurchase agreements	532,508	2,254,968	3,575,774	3,301,445	1,903,694	-	-	11,568,389
Bills and acceptances payable	281,027	-	-	-	-	-	-	281,027
Other liabilities	355,378	220,854	604,709	174,939	1,281,746	2,589,787	559,419	5,786,832
Derivative liabilities	26,431	433,449	580,328	516,108	424,184	781,565	-	2,762,065
Tax liabilities	-	-	-	-	-	-	4,684	4,684
Lease liabilities	-	5,003	8,681	11,619	19,426	43,325	-	88,054
Borrowings	-	-	5,850	988,519	1,286,561	1,907,402	-	4,188,332
Senior debt securities	-	809	-	3,754,574	-	3,264,570	-	7,019,953
Subordinated obligations	-	10,132	5,666	505,135	-	1,999,576	-	2,520,509
TOTAL LIABILITIES	68,974,619	29,872,227	43,569,784	40,228,021	20,153,227	14,989,851	564,103	218,351,832
Total equity	-	-	-	-	-	-	26,297,491	26,297,491
TOTAL LIABILITIES AND EQUITY	68,974,619	29,872,227	43,569,784	40,228,021	20,153,227	14,989,851	26,861,594	244,649,323

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(c) Liquidity Risk (continued)

The table below analyses the carrying amount of assets and liabilities (include non-financial instruments) based on the remaining contractual maturity (continued):

	Up to 1 week RM'000	>1 week to 1 month RM'000	>1 to 3 months RM'000	>3 to 6 months RM'000	>6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Bank								
2024								
ASSETS								
Cash and short-term funds	10,273,801	2,948,385	-	-	-	-	-	13,222,186
Securities purchased under resale agreements	-	-	-	100,213	-	-	-	100,213
Deposits and placements with banks and other financial institutions	-	-	5,538,744	1,812,944	238,818	446,937	-	8,037,443
Investment account due from designated financial institutions	-	-	306,814	94	1,702,945	2,631,022	-	4,640,875
Financial assets at FVTPL	4,119	151,673	1,206,550	506,311	61,267	1,152,187	-	3,082,107
Financial assets at FVOCI	549,690	144,643	1,441,168	1,653,313	1,275,295	37,220,955	782,050	43,067,114
Financial investments at amortised cost	666,059	602,139	665,357	2,418,033	2,488,631	12,090,125	-	18,930,344
Loans, advances and financing	9,229,440	7,620,417	6,153,386	3,778,047	2,104,642	108,335,808	-	137,221,740
Other assets	232,028	1,176,560	180,979	76,309	50,592	408,582	385,815	2,510,865
Derivative assets	166,746	464,579	424,932	225,662	270,492	1,279,896	-	2,832,307
Statutory deposits	-	-	-	-	-	-	1,889,262	1,889,262
Deferred tax assets	-	-	-	-	-	-	253,475	253,475
Investments in subsidiaries	-	-	-	-	-	-	4,698,018	4,698,018
Investments in associates	-	-	-	-	-	-	110,800	110,800
Right-of-use assets	-	-	-	-	-	-	80,255	80,255
Property, plant and equipment	-	-	-	-	-	-	786,640	786,640
Goodwill	-	-	-	-	-	-	1,714,913	1,714,913
Intangible assets	-	-	-	-	-	-	742,358	742,358
TOTAL ASSETS	21,121,883	13,108,396	15,917,930	10,570,926	8,192,682	163,565,512	11,443,586	243,920,915
LIABILITIES								
Deposits from customers	62,274,282	17,055,224	29,089,149	26,689,931	18,053,660	1,916,531	-	155,078,777
Deposits and placements of banks and other financial institutions	650,694	2,457,743	4,890,851	14,219,918	1,423,979	5,171,491	-	28,814,676
Obligations on securities sold under repurchase agreements	4,534,046	2,187,993	8,151,401	971,948	-	428,073	-	16,273,461
Bills and acceptances payable	258,887	-	-	-	-	-	-	258,887
Other liabilities	493,374	229,041	639,871	140,317	701,442	1,914,935	18,282	4,137,262
Derivative liabilities	142,421	309,357	630,878	298,122	190,343	912,624	-	2,483,745
Recourse obligation on loans sold to Cagamas	-	-	9,688	328	890,008	-	-	900,024
Tax liabilities	-	-	-	-	-	-	20,904	20,904
Lease liabilities	-	3,792	8,670	12,116	19,647	37,598	-	81,823
Borrowings	-	4,303	1,407	-	446,938	1,311,622	-	1,764,270
Senior debt securities	-	-	-	24,416	299,973	6,249,470	-	6,573,859
Subordinated obligations	-	10,257	5,605	506,550	499,950	1,499,669	-	2,522,031
TOTAL LIABILITIES	68,353,704	22,257,710	43,427,520	42,863,646	22,525,940	19,442,013	39,186	218,909,719
Total equity	-	-	-	-	-	-	25,011,196	25,011,196
TOTAL LIABILITIES AND EQUITY	68,353,704	22,257,710	43,427,520	42,863,646	22,525,940	19,442,013	25,050,382	243,920,915

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity Risk (continued)

The following table presents the cash outflows for the Group and the Bank's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments:

	Up to 1 month RM'000	>1 to 6 months RM'000	>6 to 12 months RM'000	>1 to 3 years RM'000	>3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group 2025							
Deposits from customers	124,458,741	99,298,384	28,671,376	1,778,847	33,289	-	254,240,637
Deposits and placements of banks and other financial institutions	11,737,291	13,868,974	1,045,800	864,057	2,276,738	1,728,782	31,521,642
Obligations on securities sold under repurchase agreements	2,690,255	4,431,475	371,579	-	-	-	7,493,309
Investment accounts	32	11,037	-	-	-	-	11,069
Bills and acceptances payable	283,233	-	-	-	-	-	283,233
Clients' and brokers' balances	848,739	-	-	-	-	-	848,739
Insurance/reinsurance contract liabilities	-	-	570,447	616,143	-	-	1,186,590
Other financial liabilities	1,420,665	1,297,481	1,349,195	532,083	3,236,522	515,370	8,351,316
Derivative liabilities:							
- Gross settled derivatives:							
- Inflow	(25,911,648)	(34,214,104)	(12,829,194)	(2,160,875)	(694,026)	(468,876)	(76,278,723)
- Outflow	26,334,632	35,221,546	13,045,567	2,226,148	716,507	487,500	78,031,900
- Net settled derivatives	12,201	75,440	257,749	36,758	(10,370)	498	372,276
Recourse obligation on loans sold to Cagamas	710	52,530	652,530	2,273,062	-	-	2,978,832
Lease liabilities	6,471	27,984	27,808	44,198	16,512	17,145	140,118
Borrowings	40,223	1,048,579	1,353,853	3,179,254	-	-	5,621,909
Senior debt securities	-	3,850,678	66,743	1,766,970	376,893	1,599,195	7,660,479
Subordinated obligations	11,275	556,882	59,068	1,533,188	962,850	664,300	3,787,563
TOTAL FINANCIAL LIABILITIES	141,932,820	125,526,886	34,642,521	12,689,833	6,914,915	4,543,914	326,250,889
Direct credit substitute	139,458	456,426	478,896	515,862	138,395	22,327	1,751,364
Transaction-related contingent items	229,335	673,218	509,104	989,510	387,563	102,849	2,891,579
Short-term self-liquidating trade-related contingencies	277,404	627,967	253,133	71,434	10,453	7,809	1,248,200
Irrevocable commitments to extend credit	48,387	2,792,550	5,826,961	3,319,145	6,558,230	18,663,071	37,208,344
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	852,607	4,345,621	7,177,447	2,255,202	1,245,498	3,510,157	19,386,532
TOTAL COMMITMENTS AND CONTINGENCIES	1,547,191	8,895,782	14,245,541	7,151,153	8,340,139	22,306,213	62,486,019

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(c) Liquidity Risk (continued)

The following table presents the cash outflows for the Group and the Bank's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments (continued):

	Up to 1 month RM'000	>1 to 6 months RM'000	>6 to 12 months RM'000	>1 to 3 years RM'000	>3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group							
2024							
Deposits from customers	115,714,321	97,811,986	34,518,604	3,576,369	89,077	-	251,710,357
Deposits and placements of banks and other financial institutions	3,426,353	16,799,430	1,598,179	951,774	2,401,907	2,391,860	27,569,503
Obligations on securities sold under repurchase agreements	4,560,049	8,544,861	-	450,390	-	-	13,555,300
Investment accounts	185,407	121,817	520,500	-	542,944	-	1,370,668
Bills and acceptances payable	261,592	-	-	-	-	-	261,592
Clients' and brokers' balances	841,715	-	-	-	-	-	841,715
Insurance/reinsurance contract liabilities	-	-	580,428	575,576	-	-	1,156,004
Other financial liabilities	1,359,893	1,133,995	746,128	889,132	2,305,367	161,430	6,595,945
Derivative liabilities:							
- Gross settled derivatives:							
- Inflow	(18,167,730)	(26,513,306)	(4,210,438)	(1,967,454)	(939,981)	(92,362)	(51,891,271)
- Outflow	18,419,500	27,326,598	4,326,260	2,062,670	973,439	95,693	53,204,160
- Net settled derivatives	59,278	12,598	101,280	39,276	53,781	6,584	272,797
Recourse obligation on loans sold to Cagamas	697	42,224	1,032,160	1,163,071	-	-	2,238,152
Lease liabilities	5,826	29,865	31,528	58,218	24,362	39,813	189,612
Borrowings	72,215	53,466	1,288,414	1,437,390	-	-	2,851,485
Senior debt securities	-	106,061	401,788	4,190,727	2,428,700	-	7,127,276
Subordinated obligations	14,088	53,619	1,064,906	1,539,987	1,041,275	-	3,713,875
TOTAL FINANCIAL LIABILITIES	126,753,204	125,523,214	41,999,737	14,967,126	8,920,871	2,603,018	320,767,170
Direct credit substitute	232,960	441,091	695,820	374,465	159,350	29,475	1,933,161
Transaction-related contingent items	307,502	663,552	397,031	778,398	311,705	83,769	2,541,957
Short-term self-liquidating trade-related contingencies	381,453	609,806	88,432	55,380	-	26,185	1,161,256
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-	488,912	-	-	-	-	488,912
Irrevocable commitments to extend credit	102,341	3,184,014	6,432,113	4,036,632	6,537,771	17,816,520	38,109,391
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	701,929	4,101,421	6,691,621	2,468,134	793,444	4,327,769	19,084,318
TOTAL COMMITMENTS AND CONTINGENCIES	1,726,185	9,488,796	14,305,017	7,713,009	7,802,270	22,283,718	63,318,995

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity Risk (continued)

The following table presents the cash outflows for the Group and the Bank's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments (continued):

	Up to 1 month RM'000	>1 to 6 months RM'000	>6 to 12 months RM'000	>1 to 3 years RM'000	>3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Bank							
2025							
Deposits from customers	82,022,078	55,336,985	14,832,533	212,985	22,187	-	152,426,768
Deposits and placements of banks and other financial institutions	12,757,380	14,924,848	760,496	813,361	2,121,928	1,342,483	32,720,496
Obligations on securities sold under repurchase agreements	2,789,042	6,947,403	1,942,528	-	-	-	11,678,973
Bills and acceptances payable	281,027	-	-	-	-	-	281,027
Other financial liabilities	467,264	891,302	1,308,798	472,474	1,948,243	515,078	5,603,159
Derivative liabilities:							
- Gross settled derivatives:							
- Inflow	(25,866,134)	(32,587,787)	(9,862,575)	(2,160,875)	(694,026)	(468,876)	(71,640,273)
- Outflow	26,290,641	33,554,906	10,030,236	2,226,148	716,507	487,500	73,305,938
- Net settled derivatives	10,620	54,559	214,515	97,278	2,276	1,036	380,284
Lease liabilities	5,304	21,651	20,690	43,037	3,312	-	93,994
Borrowings	-	1,028,137	1,333,411	2,184,368	-	-	4,545,916
Senior debt securities	-	3,850,678	66,743	1,766,970	376,893	1,599,195	7,660,479
Subordinated obligations	11,275	539,588	41,738	1,133,675	452,850	664,300	2,843,426
TOTAL FINANCIAL LIABILITIES	98,768,497	84,562,270	20,689,113	6,789,421	4,950,170	4,140,716	219,900,187
Direct credit substitute	139,458	456,931	477,878	515,862	107,295	22,327	1,719,751
Transaction-related contingent items	183,939	370,515	370,243	732,899	286,390	64,032	2,008,018
Short-term self-liquidating trade-related contingencies	263,405	350,720	79,111	72,434	10,453	7,809	783,932
Irrevocable commitments to extend credit	45,961	1,577,529	5,553,224	2,027,853	4,541,133	12,591,299	26,336,999
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	805,018	3,658,007	5,943,537	1,832,554	1,045,126	2,946,497	16,230,739
TOTAL COMMITMENTS AND CONTINGENCIES	1,437,781	6,413,702	12,423,993	5,181,602	5,990,397	15,631,964	47,079,439

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(c) Liquidity Risk (continued)

The following table presents the cash outflows for the Group and the Bank's financial liabilities by remaining contractual maturities on an undiscounted basis. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments (continued):

	Up to 1 month RM'000	>1 to 6 months RM'000	>6 to 12 months RM'000	>1 to 3 years RM'000	>3 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Bank							
2024							
Deposits from customers	79,364,147	56,247,746	18,543,811	1,981,883	23,214	-	156,160,801
Deposits and placements of banks and other financial institutions	3,114,248	19,351,981	1,459,096	888,309	2,260,750	2,136,571	29,210,955
Obligations on securities sold under repurchase agreements	6,727,212	9,245,635	-	450,390	-	-	16,423,237
Bills and acceptances payable	258,887	-	-	-	-	-	258,887
Other financial liabilities	612,789	898,100	719,335	788,669	1,222,478	161,240	4,402,611
Derivative liabilities:							
- Gross settled derivatives:							
- Inflow	(20,556,880)	(29,686,834)	(4,670,370)	(1,967,454)	(939,981)	(92,362)	(57,913,881)
- Outflow	20,893,986	30,606,322	4,790,106	2,062,670	973,439	95,693	59,422,216
- Net settled derivatives	50,647	11,428	111,433	117,965	51,348	6,584	349,405
Recourse obligation on loans sold to Cagamas	-	18,391	908,327	-	-	-	926,718
Lease liabilities	4,443	22,235	21,115	36,105	4,606	270	88,774
Borrowings	-	32,359	485,167	1,437,390	-	-	1,954,916
Senior debt securities	-	106,061	401,788	4,190,727	2,428,700	-	7,127,276
Subordinated obligations	11,275	36,325	1,047,600	1,105,850	511,275	-	2,712,325
TOTAL FINANCIAL LIABILITIES	90,480,754	86,889,749	23,817,408	11,092,504	6,535,829	2,307,996	221,124,240
Direct credit substitute	233,055	441,715	694,133	373,852	128,932	29,475	1,901,162
Transaction-related contingent items	282,420	435,360	255,319	537,601	271,709	66,787	1,849,196
Short-term self-liquidating trade-related contingencies	370,690	298,175	88,432	56,380	-	26,185	839,862
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-	488,912	-	-	-	-	488,912
Irrevocable commitments to extend credit	99,891	1,323,919	5,728,830	2,400,957	4,406,811	12,069,238	26,029,646
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	624,865	3,224,866	5,769,571	2,058,259	709,685	3,800,644	16,187,890
TOTAL COMMITMENTS AND CONTINGENCIES	1,610,921	6,212,947	12,536,285	5,427,049	5,517,137	15,992,329	47,296,668

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk

(i) Maximum exposure to credit risk

The maximum exposure to credit risk at the statements of financial position is the amounts on the statements of financial position as well as off-balance sheet financial instruments, without taking into account of any collateral held or other credit enhancements. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Group and the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

The table below shows the credit exposure of the Group and the Bank that are subject to impairment:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Credit risk exposure relating to on-balance sheet assets:				
Short-term funds (exclude cash in hand)	5,243,497	9,868,113	5,659,212	11,619,585
Securities purchased under resale agreements	34,474	59,355	-	100,213
Deposits and placements with banks and other financial institutions	548,947	811,180	8,549,203	8,037,443
Investment account due from designated financial institutions	-	-	6,719,876	4,640,875
Financial assets at FVOCI [^]	55,133,875	50,945,435	45,826,900	42,285,064
Financial investments at amortised cost	27,815,410	30,112,469	17,268,818	18,930,344
Loans, advances and financing	247,910,408	234,967,648	141,194,266	137,221,740
Clients' and brokers' balances	741,613	755,014	-	-
Insurance/reinsurance contract assets	399,411	422,346	-	-
Other financial assets	1,455,100	1,389,139	1,707,079	2,086,522
	339,282,735	329,330,699	226,925,354	224,921,786
Credit risk exposure relating to off-balance sheet items:				
Commitments and contingencies	62,486,019	63,318,995	47,079,439	47,296,668
Total maximum credit risk exposure that are subject to impairment	401,768,754	392,649,694	274,004,793	272,218,454

The table below shows the credit exposure of the Group and the Bank that are not subject to impairment:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets at FVTPL	5,858,917	5,699,882	2,797,386	3,082,107
Financial assets at FVOCI	890,037	831,160	839,143	782,050
Derivative assets	2,452,598	2,748,423	2,594,126	2,832,307
	9,201,552	9,279,465	6,230,655	6,696,464

[^] Exclude shares and unit trust.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(ii) Collaterals

The tangible securities acceptable by the Group and the Bank; such as cash deposits, shares and unit trusts, land and buildings and vessels.

The Group and the Bank also accept non-tangible securities as credit support, such as guarantees from individuals, corporates and institutions, charge over lease, debentures, assignment of contract proceeds, negative pledge and letter of awareness/comfort/support which are subject to internal guidelines on eligibility.

The outstanding balance for loans, advances and financing for which no allowances is recognised because of collateral as at 31 December 2025 amounted to RM534.6 million and RM331.0 million (2024: RM738.5 million and RM407.2 million) respectively for the Group and the Bank.

The financial effect of collateral (quantification to the extent to which collateral and other credit enhancements mitigate credit risk) held for loans, advances and financing and clients' and brokers' balances for the Group and the Bank are as follows:

	Group		Bank	
	2025 %	2024 %	2025 %	2024 %
Loans, advances and financing	77.4	77.8	83.5	82.5
Clients' and brokers' balances	99.1	99.4	-	-

The financial effect of collateral held for the remaining on-balance sheet assets are insignificant.

The following table shows the loans, advances and financing that are credit-impaired and related collateral held:

	Gross impaired outstanding RM'000	Credit losses RM'000	Net carrying amount RM'000	Collateral value over gross outstanding %
Group				
2025				
Loans, advances and financing	3,539,500	(1,213,234)	2,326,266	76.0
2024				
Loans, advances and financing	3,487,208	(1,215,722)	2,271,486	75.0
Bank				
2025				
Loans, advances and financing	2,091,535	(857,122)	1,234,413	71.3
2024				
Loans, advances and financing	2,247,904	(940,417)	1,307,487	68.7

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(iii) Credit exposure by stages

Financial assets of the Group and the Bank are classified into three stages as below:

Stages	Description
Stage 1: 12 months ECL - not credit impaired	For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.
Stage 2: Lifetime ECL - not credit impaired	For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised.
Stage 3: Lifetime ECL - credit impaired	Financial assets are assessed as credit impaired when one or more objective evidence of defaults that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL will be recognised.
POCI	POCI assets are financial assets that are credit impaired on initial recognition. The Group and the Bank only recognise the cumulative changes in lifetime ECL since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted effective interest rate.

For further details on the stages, refer to accounting policy Note 22.

(iv) Credit quality

The Group and the Bank assess credit quality of loans, advances and financing using internal rating techniques tailored to the various categories of products and counterparties. These techniques have been developed internally and combine statistical analysis with credit officers' judgement.

Credit quality description is summarised as follows:

Credit Quality	Description
- Sovereign	Exposures directly from government bodies including exposure guaranteed by government
- Good	Exposures exhibit strong capacity to meet financial commitments with no cause of concern to the Group and the Bank
- Fair	Exposures exhibit fairly acceptable capacity to meet financial commitments and may require varying degrees of concern to the Group and the Bank
- No Rating	Counterparties which do not satisfy the criteria to be rated based on internal credit rating system
- Credit Impaired	When one or more objective evidence of defaults that have a detrimental impact on the estimated future cash flows have occurred
- POCI	POCI assets are financial assets that are credit impaired on initial recognition

The credit quality of financial assets other than loans, advances and financing are determined based on the ratings of counterparties as defined by Moody's or equivalent ratings of other international rating agencies as defined below:

Credit Quality	Ratings
- Sovereign	Sovereign credit rating
- Good	Aaa to A3
- Fair	Baa1 to Baa3
- No Rating	Unrated
- Credit Impaired	Default
- POCI	Default

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(d) Credit Risk (continued)

(iv) Credit quality (continued)

The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision:

	Gross Carrying Amount						Total RM'000	Provision for credit loss RM'000
	Sovereign RM'000	Good RM'000	Fair RM'000	No rating RM'000	Credit- impaired RM'000	POCI RM'000		
Group								
2025								
General Approach								
Short-term funds (exclude cash in hand)	2,318,146	1,894,335	43,291	989,574	-	-	5,245,346	(1,849)
Stage 1	2,318,146	1,894,335	43,291	989,574	-	-	5,245,346	(1,849)
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Securities purchased under resale agreements	-	-	-	34,474	-	-	34,474	-
Stage 1	-	-	-	34,474	-	-	34,474	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	133,079	349,547	-	66,567	-	-	549,193	(246)
Stage 1	133,079	349,547	-	66,567	-	-	549,193	(246)
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Financial assets at FVOCI	32,204,775	18,602,423	4,326,677	-	-	-	55,133,875	(32,293)
Stage 1	31,998,748	18,602,423	4,326,677	-	-	-	54,927,848	(32,293)
Stage 2	206,027	-	-	-	-	-	206,027	-
Stage 3	-	-	-	-	-	-	-	-
Financial investments at amortised cost	19,058,720	2,014,328	-	6,612,877	121,016	142,747	27,949,688	(134,923)
Stage 1	19,023,113	2,014,328	-	6,612,877	-	-	27,650,318	(13,907)
Stage 2	35,607	-	-	-	-	-	35,607	-
Stage 3	-	-	-	-	121,016	-	121,016	(121,016)
POCI	-	-	-	-	-	142,747	142,747	-
Loans, advances and financing*	7,142,592	219,079,119	13,440,972	7,779,287	3,200,871	-	250,642,841	(2,710,280)
Stage 1	7,142,592	214,822,905	5,790,265	7,272,895	-	-	235,028,657	(810,071)
Stage 2	-	4,256,214	7,650,707	167,763	-	-	12,074,684	(686,975)
Stage 3	-	-	-	338,629	3,200,871	-	3,539,500	(1,213,234)
Insurance/reinsurance contract assets	-	343,353	3,094	52,964	-	-	399,411	-
Stage 1	-	343,353	3,094	52,964	-	-	399,411	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Other financial assets	43,913	483,844	4,105	751,904	-	-	1,283,766	(31,380)
Stage 1	43,913	483,844	4,105	731,881	-	-	1,263,743	(24,438)
Stage 2	-	-	-	337	-	-	337	(24)
Stage 3	-	-	-	19,686	-	-	19,686	(6,918)
	60,901,225	242,766,949	17,818,139	16,287,647	3,321,887	142,747	341,238,594	(2,910,971)

	Gross Carrying Amount			Total RM'000	Provision for credit loss RM'000
	Current RM'000	less than 90 days past due RM'000	More than 90 days past due RM'000		
Group					
2025					
Simplified Approach					
Clients' and brokers' balances	738,001	1,558	3,415	742,974	(1,361)
Other financial assets	104,216	23,657	91,200	219,073	(16,359)
	842,217	25,215	94,615	962,047	(17,720)

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(iv) Credit quality (continued)

The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision (continued):

	Gross Carrying Amount					Total RM'000	Provision for credit loss RM'000
	Sovereign RM'000	Good RM'000	Fair RM'000	No rating RM'000	Credit- impaired RM'000		
Group							
2024							
General Approach							
Short-term funds (exclude cash in hand)	3,136,965	5,859,235	126,984	749,857	-	9,873,041	(4,928)
Stage 1	3,136,965	5,859,235	126,984	749,857	-	9,873,041	(4,928)
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Securities purchased under resale agreements	-	-	-	59,355	-	59,355	-
Stage 1	-	-	-	59,355	-	59,355	-
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	175,066	357,518	-	278,800	-	811,384	(204)
Stage 1	175,066	357,518	-	278,800	-	811,384	(204)
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Financial assets at FVOCI	31,873,855	15,155,266	3,744,661	171,653	-	50,945,435	(25,710)
Stage 1	31,670,289	15,155,266	3,744,661	171,653	-	50,741,869	(25,710)
Stage 2	203,566	-	-	-	-	203,566	-
Stage 3	-	-	-	-	-	-	-
Financial investments at amortised cost	20,216,741	1,729,172	-	7,415,438	1,426,915	30,788,266	(673,339)
Stage 1	20,181,054	1,729,172	-	7,415,438	-	29,325,664	(16,251)
Stage 2	35,687	-	-	-	-	35,687	-
Stage 3	-	-	-	-	1,426,915	1,426,915	(657,088)
Loans, advances and financing*	6,518,136	206,498,670	12,754,372	8,499,604	3,487,208	237,757,990	(2,740,024)
Stage 1	6,518,136	202,236,020	5,699,914	8,276,443	-	222,730,513	(803,129)
Stage 2	-	4,262,650	7,054,458	223,161	-	11,540,269	(721,173)
Stage 3	-	-	-	-	3,487,208	3,487,208	(1,215,722)
Insurance/reinsurance contract assets	-	315,102	4,304	102,940	-	422,346	-
Stage 1	-	315,102	4,304	102,940	-	422,346	-
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Other financial assets	47,093	517,954	-	618,886	-	1,183,933	(22,034)
Stage 1	47,093	517,954	-	592,886	-	1,157,933	(21,349)
Stage 2	-	-	-	232	-	232	(8)
Stage 3	-	-	-	25,768	-	25,768	(677)
	61,967,856	230,432,917	16,630,321	17,896,533	4,914,123	331,841,750	(3,466,239)

	Gross Carrying Amount			Total RM'000	Provision for credit loss RM'000	
	Current RM'000	less than 90 days past due RM'000	More than 90 days past due RM'000			
Group						
2024						
Simplified Approach						
Clients' and brokers' balances		752,247	1,132	3,419	756,798	(1,784)
Other financial assets	171,065	12,641	59,296	243,002	243,002	(15,762)
	923,312	13,773	62,715	999,800	999,800	(17,546)

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(iv) Credit quality (continued)

The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision (continued):

	Gross Carrying Amount							Provision for credit loss RM'000
	Sovereign RM'000	Good RM'000	Fair RM'000	No rating RM'000	Credit- impaired RM'000	POCI RM'000	Total RM'000	
Bank 2025								
General Approach								
Short-term funds (exclude cash in hand)	861,501	3,906,465	11,528	881,199	-	-	5,660,693	(1,481)
Stage 1	861,501	3,906,465	11,528	881,199	-	-	5,660,693	(1,481)
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	8,527,093	-	22,110	-	-	8,549,203	-
Stage 1	-	8,527,093	-	22,110	-	-	8,549,203	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Investment account due from designated financial institutions	-	6,719,876	-	-	-	-	6,719,876	-
Stage 1	-	6,719,876	-	-	-	-	6,719,876	-
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
Financial assets at FVOCI	25,916,088	15,584,134	4,326,678	-	-	-	45,826,900	(29,301)
Stage 1	25,735,815	15,584,134	4,326,678	-	-	-	45,646,627	(29,301)
Stage 2	180,273	-	-	-	-	-	180,273	-
Stage 3	-	-	-	-	-	-	-	-
Financial investments at amortised cost	13,214,570	1,133,192	-	2,784,704	54,167	142,747	17,329,380	(60,562)
Stage 1	13,214,570	1,133,192	-	2,784,704	-	-	17,132,466	(6,395)
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	54,167	-	54,167	(54,167)
POCI	-	-	-	-	-	142,747	142,747	-
Loans, advances and financing*	62,049	126,838,648	7,444,975	6,584,913	2,091,535	-	143,022,120	(1,826,419)
Stage 1	62,049	124,229,897	3,840,775	6,527,887	-	-	134,660,608	(565,176)
Stage 2	-	2,608,751	3,604,200	57,026	-	-	6,269,977	(404,121)
Stage 3	-	-	-	-	2,091,535	-	2,091,535	(857,122)
Other financial assets	3,913	1,061,465	4,105	656,234	-	-	1,725,717	(18,638)
Stage 1	3,913	1,061,465	4,105	656,234	-	-	1,725,717	(18,638)
Stage 2	-	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-	-
	40,058,121	163,770,873	11,787,286	10,929,160	2,145,702	142,747	228,833,889	(1,936,401)

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(iv) Credit quality (continued)

The following table shows an analysis of the credit exposure by stages, together with the ECL allowance provision (continued):

	← Gross Carrying Amount →					Total RM'000	Provision for credit loss RM'000
	Sovereign RM'000	Good RM'000	Fair RM'000	No rating RM'000	Credit- impaired RM'000		
Bank							
2024							
General Approach							
Short-term funds (exclude cash in hand)	2,546,636	8,579,269	93,064	405,386	-	11,624,355	(4,770)
Stage 1	2,546,636	8,579,269	93,064	405,386	-	11,624,355	(4,770)
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Securities purchased under resale agreements	-	100,213	-	-	-	100,213	-
Stage 1	-	100,213	-	-	-	100,213	-
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	7,987,291	-	50,152	-	8,037,443	-
Stage 1	-	7,987,291	-	50,152	-	8,037,443	-
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Investment account due from designated financial institutions	-	4,640,875	-	-	-	4,640,875	-
Stage 1	-	4,640,875	-	-	-	4,640,875	-
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
Financial assets at FVOCI	25,608,125	12,760,624	3,744,662	171,653	-	42,285,064	(24,077)
Stage 1	25,430,005	12,760,624	3,744,662	171,653	-	42,106,944	(24,077)
Stage 2	178,120	-	-	-	-	178,120	-
Stage 3	-	-	-	-	-	-	-
Financial investments at amortised cost	15,227,839	1,123,084	-	3,122,378	55,135	19,528,436	(598,092)
Stage 1	15,227,839	1,123,084	-	3,122,378	-	19,473,301	(8,594)
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	55,135	55,135	(589,498)
Loans, advances and financing*	-	122,448,701	6,879,882	7,486,186	2,247,904	139,062,673	(1,832,389)
Stage 1	-	119,807,764	3,416,195	7,379,648	-	130,603,607	(443,971)
Stage 2	-	2,640,937	3,463,687	106,538	-	6,211,162	(448,001)
Stage 3	-	-	-	-	2,247,904	2,247,904	(940,417)
Other financial assets	7,093	1,573,504	-	527,273	-	2,107,870	(21,348)
Stage 1	7,093	1,573,504	-	527,273	-	2,107,870	(21,348)
Stage 2	-	-	-	-	-	-	-
Stage 3	-	-	-	-	-	-	-
	43,389,693	159,213,561	10,717,608	11,763,028	2,303,039	227,386,929	(2,480,676)

* During the financial year, the Group and the Bank adopted a more risk-reflective rating classification for the retail portfolio. Comparative figures have been restated on this new basis.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by industry in respect of the Group and the Bank's financial assets, including commitments and contingencies, are set out below:

	Short-term funds and deposits and placements with banks and other financial institutions [~]	Securities purchased under resale agreements	Financial assets at FVTPL [^]	Financial assets at FVOCI [®]	Financial investments at amortised cost [†]	Loans, advances and financing [#]	Clients' and brokers' balances [‡]	Insurance/reinsurance contract assets	Other financial assets [*]	Commitments and contingencies	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group 2025											
Agriculture, hunting, forestry and fishing	-	-	-	230,676	483,116	3,973,439	-	-	362	1,223,210	5,910,803
Mining and quarrying	-	-	23,145	502,471	20,234	236,025	-	-	307	750,023	1,532,205
Manufacturing	-	-	42,450	851,639	-	12,428,151	-	-	11,718	6,669,953	20,003,911
Electricity, gas and water	-	-	240,695	2,250,925	699,575	1,293,006	-	-	145	596,588	5,080,934
Construction	-	-	197,230	2,194,262	3,885,280	10,979,868	-	-	34,880	8,877,809	26,169,329
Wholesale and retail trade and restaurant and hotel	-	-	-	582,905	81,543	22,473,108	-	-	97,203	9,257,770	32,492,529
Transport, storage and communication	-	-	10,210	2,893,317	1,383,900	4,846,088	-	-	6,581	1,646,254	10,786,350
Finance, insurance, real estate and business services	5,794,539	34,474	1,722,245	21,024,741	6,760,018	44,341,868	317,606	399,411	3,676,104	10,632,805	94,703,811
Education, health and others	-	-	1,952,912	24,602,939	14,515,006	11,779,662	-	-	88,267	2,244,561	55,183,347
Household sector	-	-	-	-	-	137,078,392	424,009	-	16,593	20,587,046	158,106,040
	5,794,539	34,474	4,188,887	55,133,875	27,828,672	249,429,607	741,615	399,411	3,932,160	62,486,019	409,969,259

[~] Gross before stage 1 expected credit losses amounting to RM2,095,000.

[^] Excludes equity instruments, unit trusts and private equity funds amounting to RM1,670,030,000.

[®] Excludes equity instruments amounting to RM890,037,000.

[†] Gross before stage 1 expected credit losses amounting to RM13,907,000 and positive fair value changes amounting to RM645,000.

[#] Gross before stage 1 and stage 2 expected credit losses amounting to RM1,497,046,000 and negative fair value changes amounting to RM22,153,000.

[^] Gross before allowance for credit losses for non-credit impaired amounting to RM2,000.

^{*} Gross before stage 1 and stage 2 expected credit losses amounting to RM24,462,000. Other financial assets include other assets amounting to RM1,479,562,000 and derivative assets amounting to RM2,452,598,000.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by industry in respect of the Group and the Bank's financial assets, including commitments and contingencies, are set out below (continued):

	Short-term funds and deposits and placements with banks and other financial institutions [~]	Securities purchased under resale agreements [~]	Financial assets at FVTPL ⁻	Financial assets at FVOCI [®]	Financial investments at amortised cost [†]	Loans, advances and financing [‡]	Clients' and brokers' balances [^]	Insurance/ reinsurance contract assets	Other financial assets [*]	Commitments and contingencies	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group											
2024											
Agriculture, hunting, forestry and fishing	-	-	-	229,140	607,995	4,247,145	-	-	10,568	1,070,655	6,165,503
Mining and quarrying	-	-	14	161,037	790,060	238,592	-	-	267	644,729	1,834,699
Manufacturing	-	-	3,332	732,254	-	12,333,923	-	-	107,352	7,180,188	20,357,049
Electricity, gas and water	-	-	4,216	1,421,176	663,962	1,193,309	-	-	86	607,678	3,890,427
Construction	-	-	767,632	2,535,476	3,509,373	12,700,891	-	-	65,361	8,025,440	27,604,173
Wholesale and retail trade and restaurant and hotel	-	-	-	539,702	82,041	23,282,070	-	-	104,685	8,460,559	32,469,057
Transport, storage and communication	-	-	-	2,381,228	1,319,397	4,601,439	-	-	244,311	2,278,613	10,824,988
Finance, insurance, real estate and business services	10,684,425	59,355	1,390,346	15,318,424	5,793,102	38,834,887	361,483	422,346	3,320,634	12,962,461	89,147,463
Education, health and others	-	-	2,000,324	27,626,998	17,365,248	10,782,722	-	-	244,599	1,926,573	59,946,464
Household sector	-	-	-	-	-	128,327,290	393,532	-	61,056	20,162,099	148,943,977
	10,684,425	59,355	4,165,864	50,945,435	30,131,178	236,542,268	755,015	422,346	4,158,919	63,318,995	401,183,800

[~] Gross before stage 1 expected credit losses amounting to RM5,132,000.

⁻ Excludes equity instruments, unit trusts and private equity funds amounting to RM1,534,018,000.

[®] Excludes equity instruments amounting to RM831,160,000.

[†] Gross before stage 1 expected credit losses amounting to RM16,251,000 and negative fair value changes amounting to RM2,458,000.

[‡] Gross before stage 1 and stage 2 expected credit losses amounting to RM1,524,302,000 and negative fair value changes amounting to RM50,318,000.

[^] Gross before allowance for credit losses for non-credit impaired amounting to RM1,000.

^{*} Gross before stage 1 and stage 2 expected credit losses amounting to RM21,357,000. Other financial assets include other assets amounting to RM1,410,496,000 and derivative assets amounting to RM2,748,423,000.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by industry in respect of the Group and the Bank's financial assets, including commitments and contingencies, are set out below (continued):

	Short-term funds, deposits and placements with banks and other financial institutions and investment account due from designated financial institutions [~]	Financial assets at FVTPL ⁻	Financial assets at FVOCI [@]	Financial investments at amortised cost [†]	Loans, advances and financing [#]	Other financial assets [‡]	Commitments and contingencies	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank 2025								
Agriculture, hunting, forestry and fishing	-	-	180,126	452,721	2,247,604	-	769,689	3,650,140
Mining and quarrying	-	23,145	345,111	20,234	99,110	9	273,040	760,649
Manufacturing	-	42,450	810,587	-	9,064,773	7,869	5,644,540	15,570,219
Electricity, gas and water	-	230,136	1,709,526	309,033	858,556	134	405,121	3,512,506
Construction	-	135,723	1,698,644	1,928,746	8,226,255	30,638	6,031,797	18,051,803
Wholesale and retail trade and restaurant and hotel	-	-	537,094	71,304	16,692,956	91,678	7,192,595	24,585,627
Transport, storage and communication	-	-	2,231,150	402,594	2,677,445	6,526	1,051,702	6,369,417
Finance, insurance, real estate and business services	20,929,772	527,161	17,982,924	4,156,078	30,392,536	4,146,822	9,537,939	87,673,232
Education, health and others	-	1,686,991	20,331,738	9,934,503	3,553,081	19,646	1,030,012	36,555,971
Household sector	-	-	-	-	68,352,682	16,521	15,143,004	83,512,207
	20,929,772	2,645,606	45,826,900	17,275,213	142,164,998	4,319,843	47,079,439	280,241,771

[~] Gross before stage 1 expected credit losses amounting to RM1,481,000.

⁻ Excludes equity instruments amounting to RM151,780,000.

[@] Excludes equity instruments amounting to RM839,143,000.

[†] Gross before stage 1 expected credit losses amounting to RM6,395,000.

[#] Gross before stage 1 and stage 2 expected credit losses amounting to RM969,297,000 and negative fair value changes amounting to RM1,435,000.

^{*} Gross before stage 1 expected credit losses amounting to RM18,638,000. Other financial assets include other assets amounting to RM1,725,717,000 and derivative assets amounting to RM2,594,126,000.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by industry in respect of the Group and the Bank's financial assets, including commitments and contingencies, are set out below (continued):

	Short-term funds, deposits and placements with banks and other financial institutions and investment account due from designated financial institutions [~] RM'000	Securities purchased under resale agreements RM'000	Financial assets at FVTPL RM'000	Financial assets at FVOCI [®] RM'000	Financial investments at amortised cost [†] RM'000	Loans, advances and financing [#] RM'000	Other financial assets* RM'000	Commitments and contingencies RM'000	Total RM'000
Bank 2024									
Agriculture, hunting, forestry and fishing	-	-	-	179,030	471,994	2,335,221	10,412	521,283	3,517,940
Mining and quarrying	-	-	14	120,690	(514,132)	133,478	267	556,137	296,454
Manufacturing	-	-	3,332	660,121	-	8,672,875	105,661	6,055,172	15,497,161
Electricity, gas and water	-	-	-	1,056,580	272,721	771,838	-	420,290	2,521,429
Construction	-	-	767,632	1,806,896	1,905,835	8,782,339	63,035	5,828,415	19,154,152
Wholesale and retail trade and restaurant and hotel	-	-	-	478,420	71,739	17,252,262	102,109	6,523,224	24,427,754
Transport, storage and communication	-	-	-	1,931,181	362,898	1,661,823	243,066	1,362,033	5,561,001
Finance, insurance, real estate and business services	24,302,673	100,213	445,973	13,281,266	3,396,478	29,113,175	4,263,927	10,774,590	85,678,295
Education, health and others	-	-	1,865,156	22,770,880	12,971,405	3,512,948	90,768	626,383	41,837,540
Household sector	-	-	-	-	-	65,886,297	60,932	14,629,141	80,576,370
	24,302,673	100,213	3,082,107	42,285,064	18,938,938	138,122,256	4,940,177	47,296,668	279,068,096

[~] Gross before stage 1 expected credit losses amounting to RM4,770,000.

[®] Excludes equity instruments amounting to RM782,050,000.

[†] Gross before stage 1 expected credit losses amounting to RM8,594,000.

[#] Gross before stage 1 and stage 2 expected credit losses amounting to RM891,972,000 and negative fair value changes amounting to RM8,544,000.

^{*} Gross before stage 1 expected credit losses amounting to RM21,348,000. Other financial assets include other assets amounting to RM2,107,870,000 and derivative assets amounting to RM2,832,307,000.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by geographical in respect of the Group and the Bank's financial assets, including commitments and contingencies, are set out below:

	Short-term funds and deposits and placements with banks and other financial institutions [~]	Securities purchased under resale agreements	Financial assets at FVTPL ⁻	Financial assets at FVOCI [@]	Financial investments at amortised cost [†]	Loans, advances and financing [#]	Clients' and brokers' balances [^]	Insurance/reinsurance contract assets	Other financial assets [*]	Commitments and contingencies	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group 2025											
Southeast Asia	4,751,929	34,474	4,091,192	43,312,336	27,798,278	239,428,567	741,615	373,156	3,224,646	61,437,608	385,193,801
- Malaysia	2,760,092	34,474	3,984,595	39,377,259	23,444,935	208,694,542	664,442	369,289	2,882,478	54,693,713	336,905,819
- Singapore	955,335	-	64,180	1,988,028	4,090,515	25,522,363	-	3,867	135,869	5,577,337	38,337,494
- Thailand	53,936	-	21,341	1,399,899	218,870	700,941	-	-	169,246	570,007	3,134,240
- Brunei	349,696	-	-	-	23,587	193,547	-	-	226	32,427	599,483
- Indonesia	43,722	-	16,814	406,235	-	676,388	77,173	-	16,180	282,289	1,518,801
- Cambodia	293,163	-	-	-	20,371	2,757,019	-	-	20,282	187,123	3,277,958
- Lao	294,703	-	-	-	-	61,953	-	-	365	11,273	368,294
- Vietnam	382	-	-	-	-	804,897	-	-	-	83,439	888,718
- Philippines	900	-	4,262	140,915	-	10,054	-	-	-	-	156,131
- Myanmar	-	-	-	-	-	6,863	-	-	-	-	6,863
South Asia	58,298	-	90,828	2,329,732	-	4,773,407	-	-	22,364	586,373	7,861,002
East Asia	122,033	-	-	1,514,396	-	805,130	-	15,484	63,911	15,319	2,536,273
Central Asia	-	-	-	-	-	1,233	-	-	-	-	1,233
Middle East	17,605	-	-	590,210	-	259,056	-	-	6	37	866,914
Europe	206,186	-	1,337	4,463,597	30,394	2,972,236	-	7,532	597,074	97,733	8,376,089
North America	637,862	-	5,530	2,923,604	-	1,089,946	-	3,239	24,159	347,879	5,032,219
Others	626	-	-	-	-	100,032	-	-	-	1,070	101,728
	5,794,539	34,474	4,188,887	55,133,875	27,828,672	249,429,607	741,615	399,411	3,932,160	62,486,019	409,969,259

[~] Gross before stage 1 expected credit losses amounting to RM2,095,000.

⁻ Excludes equity instruments, unit trusts and private equity funds amounting to RM1,670,030,000.

[@] Excludes equity instruments amounting to RM890,037,000.

[†] Gross before stage 1 expected credit losses amounting to RM13,907,000 and positive fair value changes amounting to RM645,000.

[#] Gross before stage 1 and stage 2 expected credit losses amounting to RM1,497,046,000 and negative fair value changes amounting to RM22,153,000.

[^] Gross before allowance for credit losses for non-credit impaired amounting to RM2,000.

^{*} Gross before stage 1 and stage 2 expected credit losses amounting to RM24,462,000. Other financial assets include other assets amounting to RM1,479,562,000 and derivative assets amounting to RM2,452,598,000.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by geographical in respect of the Group and the Bank's financial assets, including commitments and contingencies, are set out below (continued):

	Short-term funds and deposits and placements with banks and other financial institutions [~]	Securities purchased under resale agreements [~]	Financial assets at FVTPL ⁻	Financial assets at FVOCI [®]	Financial investments at amortised cost [†]	Loans, advances and financing [#]	Clients' and brokers' balances [^]	Insurance/reinsurance contract assets	Other financial assets [*]	Commitments and contingencies	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group 2024											
Southeast Asia	8,620,196	59,355	4,152,485	41,179,371	30,100,770	227,658,021	755,015	397,804	3,102,232	62,400,218	378,425,467
- Malaysia	4,712,236	59,355	4,144,679	35,715,264	25,195,343	196,485,071	700,451	395,574	2,727,928	53,630,113	323,766,014
- Singapore	2,629,436	-	3,354	3,626,919	4,644,437	24,213,398	-	2,230	160,798	7,571,010	42,851,582
- Thailand	30,161	-	-	1,320,965	208,259	1,052,454	-	-	179,030	653,405	3,444,274
- Brunei	257,338	-	-	-	52,731	199,486	-	-	208	32,378	542,141
- Indonesia	45,534	-	4,452	452,981	-	700,030	54,564	-	5,580	159,257	1,422,398
- Cambodia	634,572	-	-	-	-	3,377,813	-	-	28,318	233,833	4,274,536
- Lao	308,998	-	-	-	-	79,613	-	-	370	8,036	397,017
- Vietnam	119	-	-	-	-	1,407,342	-	-	-	112,186	1,519,647
- Philippines	1,802	-	-	63,242	-	8,462	-	-	-	-	73,506
- Myanmar	-	-	-	-	-	134,352	-	-	-	-	134,352
South Asia	31,877	-	13,346	1,782,084	-	3,860,150	-	-	36,796	379,732	6,103,985
East Asia	556,050	-	-	1,648,475	-	1,366,374	-	11,077	59,656	38,888	3,680,520
Central Asia	-	-	-	-	-	1,300	-	-	-	-	1,300
Middle East	9,254	-	-	522,853	-	105,674	-	-	32	41	637,854
Europe	311,636	-	33	3,508,375	30,408	2,655,025	-	10,069	919,547	17,658	7,452,751
North America	1,154,510	-	-	2,304,277	-	889,865	-	3,396	40,656	480,925	4,873,629
Others	902	-	-	-	-	5,859	-	-	-	1,533	8,294
	10,684,425	59,355	4,165,864	50,945,435	30,131,178	236,542,268	755,015	422,346	4,158,919	63,318,995	401,183,800

[~] Gross before stage 1 expected credit losses amounting to RM5,132,000.

⁻ Excludes equity instruments, unit trusts and private equity funds amounting to RM1,534,018,000.

[®] Excludes equity instruments amounting to RM831,160,000.

[†] Gross before stage 1 expected credit losses amounting to RM16,251,000 and negative fair value changes amounting to RM2,458,000.

[#] Gross before stage 1 and stage 2 expected credit losses amounting to RM1,524,302,000 and negative fair value changes amounting to RM50,318,000.

[^] Gross before allowance for credit losses for non-credit impaired amounting to RM1,000.

^{*} Gross before stage 1 and stage 2 expected credit losses amounting to RM21,357,000. Other financial assets include other assets amounting to RM1,410,496,000 and derivative assets amounting to RM2,748,423,000.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(d) Credit Risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by geographical in respect of the Group and the Bank's financial assets, including commitments and contingencies, are set out below (continued):

	Short-term funds, deposits and placements with banks and other financial institutions and investment account due from designated financial institutions [~]	Financial assets at FVTPL ⁻	Financial assets at FVOCI [@]	Financial investments at amortised cost [†]	Loans, advances and financing [#]	Other financial assets [*]	Commitments and contingencies	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank 2025								
Southeast Asia	19,946,221	2,547,911	34,005,361	17,275,213	135,296,871	3,617,305	46,201,163	258,890,045
- Malaysia	18,451,697	2,441,314	30,070,284	12,942,241	108,343,197	3,312,839	39,903,610	215,465,182
- Singapore	950,380	64,180	1,988,028	4,090,515	24,699,530	134,970	5,509,942	37,437,545
- Thailand	48,800	21,341	1,399,899	218,870	699,542	169,246	570,007	3,127,705
- Brunei	348,243	-	-	23,587	189,798	226	32,427	594,281
- Indonesia	10,311	16,814	406,235	-	485,961	24	101,738	1,021,083
- Cambodia	9,895	-	-	-	62,729	-	-	72,624
- Lao	125,675	-	-	-	-	-	-	125,675
- Vietnam	382	-	-	-	803,582	-	83,439	887,403
- Philippines	838	4,262	140,915	-	7,252	-	-	153,267
- Myanmar	-	-	-	-	5,280	-	-	5,280
South Asia	57,187	90,828	2,329,732	-	4,661,338	22,364	464,133	7,625,582
East Asia	115,526	-	1,514,396	-	731,090	63,911	13,555	2,438,478
Middle East	17,605	-	590,210	-	253,464	6	37	861,322
Europe	193,372	1,337	4,463,597	-	496,455	592,103	91,602	5,838,466
North America	599,235	5,530	2,923,604	-	720,828	24,154	308,879	4,582,230
Others	626	-	-	-	4,952	-	70	5,648
	20,929,772	2,645,606	45,826,900	17,275,213	142,164,998	4,319,843	47,079,439	280,241,771

[~] Gross before stage 1 expected credit losses amounting to RM1,481,000.

⁻ Excludes equity instruments amounting to RM151,780,000.

[@] Excludes equity instruments amounting to RM839,143,000.

[†] Gross before stage 1 expected credit losses amounting to RM6,395,000.

[#] Gross before stage 1 and stage 2 expected credit losses amounting to RM969,297,000 and negative fair value changes amounting to RM1,435,000.

^{*} Gross before stage 1 expected credit losses amounting to RM18,638,000. Other financial assets include other assets amounting to RM1,725,717,000 and derivative assets amounting to RM2,594,126,000.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by geographical in respect of the Group and the Bank's financial assets, including commitments and contingencies, are set out below (continued):

	Short-term funds, deposits and placements with banks and other financial institutions and investment account due from designated financial institutions [~] RM'000	Securities purchased under resale agreements RM'000	Financial assets at FVTPL RM'000	Financial assets at FVOCI [@] RM'000	Financial investments at amortised cost [†] RM'000	Loans, advances and financing [‡] RM'000	Other financial assets* RM'000	Commitments and contingencies RM'000	Total RM'000
Bank 2024									
Southeast Asia	22,585,725	100,213	3,068,728	32,519,000	18,938,938	132,038,362	3,883,506	46,871,898	260,006,370
- Malaysia	19,234,104	100,213	3,060,922	27,054,893	14,033,511	105,072,560	3,548,347	38,579,660	210,684,210
- Singapore	2,622,561	-	3,354	3,626,919	4,644,437	23,818,811	155,921	7,491,140	42,363,143
- Thailand	29,051	-	-	1,320,965	208,259	1,051,169	179,030	653,405	3,441,879
- Brunei	253,423	-	-	-	52,731	195,715	208	32,378	534,455
- Indonesia	10,079	-	4,452	452,981	-	450,948	-	3,129	921,589
- Cambodia	296,386	-	-	-	-	30,759	-	-	327,145
- Lao	138,985	-	-	-	-	-	-	-	138,985
- Vietnam	119	-	-	-	-	1,406,683	-	112,186	1,518,988
- Philippines	1,017	-	-	63,242	-	6,028	-	-	70,287
- Myanmar	-	-	-	-	-	5,689	-	-	5,689
South Asia	28,981	-	13,346	1,782,084	-	3,787,587	36,796	376,707	6,025,501
East Asia	553,454	-	-	1,648,475	-	855,167	59,656	37,034	3,153,786
Middle East	7,543	-	-	522,853	-	10,278	32	41	540,747
Europe	282,831	-	33	3,508,375	-	944,821	919,547	10,968	5,666,575
North America	843,237	-	-	2,304,277	-	481,143	40,640	-	3,669,297
Others	902	-	-	-	-	4,898	-	20	5,820
	24,302,673	100,213	3,082,107	42,285,064	18,938,938	138,122,256	4,940,177	47,296,668	279,068,096

[~] Gross before stage 1 expected credit losses amounting to RM4,770,000.

[@] Excludes equity instruments amounting to RM782,050,000.

[†] Gross before stage 1 expected credit losses amounting to RM8,594,000.

[‡] Gross before stage 1 and stage 2 expected credit losses amounting to RM891,972,000 and negative fair value changes amounting to RM8,544,000.

* Gross before stage 1 expected credit losses amounting to RM21,348,000. Other financial assets include other assets amounting to RM2,107,870,000 and derivative assets amounting to RM2,832,307,000.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(v) Write-off policy

The Group and the Bank write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group and the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

A write-off constitutes a derecognition event. The Group and the Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Group and the Bank's enforcement activities will be written back as bad debts recovered in the income statements.

The contractual amount outstanding on loans, advances and financing and securities portfolio that were written off during the financial year ended 31 December 2025, and are still subject to enforcement activities was RM613.7 million and RM418.6 million (2024: RM528.3 million and RM392.2 million) for the Group and the Bank respectively.

(vi) Modification of contractual cash flows

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised as net modification loss in the income statements, with a corresponding decrease in the gross carrying value of the asset. If the modification involved a concession that the Group and the Bank would not otherwise consider, the instrument is considered to be credit impaired and is considered forborne.

ECL for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

Although loans, advances and financing may be modified for non-credit reasons, a significant increase in credit risk may occur. The Group and the Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from stage 3 or stage 2 to stage 1. This is only the case for assets which have been monitored for consecutive six months' observation period or more.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit Risk (continued)

(vii) Sensitivity analysis

The Group and the Bank have performed ECL sensitivity assessment on loans, advances and financing based on the changes in key variables, such as private consumption, unemployment rates, inflation and industrial production, while all other variables remain unchanged. The sensitivity factors used are assumptions based on parallel shifts in the key variables to project the impact on the ECL of the Group and the Bank.

The table below outlines the effect of ECL on the changes in key variables used while other variables remain constant:

	Changes	← Increase/(Decrease) in ECL →			
		Group		Bank	
		RM'000	RM'000	RM'000	RM'000
2025					
(a) Retail					
Private consumption	+/-10 bps	(1,163)	1,372	(408)	630
Unemployment rates	+/-10 bps	10,605	(10,530)	5,936	(5,891)
Inflation	+/-50 bps	9,402	(9,471)	3,764	(3,741)
(b) Non-retail					
Private consumption	+/-10 bps	(1,722)	1,854	(1,175)	1,267
Industrial production	+/-50 bps	(6,814)	7,306	(4,698)	4,996
2024					
(a) Retail					
Private consumption	+/-50 bps	(9,448)	9,432	(5,970)	5,795
Unemployment rates	+/-10 bps	11,540	(11,659)	9,252	(9,339)
Inflation	+/-50 bps	12,958	(13,022)	8,705	(8,916)
(b) Non-retail					
Private consumption	+/-50 bps	(8,388)	8,562	(5,900)	6,025
Industrial production	+/-100 bps	(14,450)	16,321	(9,471)	10,691

Retail comprises substantially household sector as disclosed in Note 8(e) under loans, advances and financing by economic sector.

Non-retail comprises other than household sector as disclosed in Note 8(e) under loans, advances and financing by economic sector.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Offsetting Financial Assets and Financial Liabilities

The Group and the Bank report financial assets and financial liabilities on a net basis on the balance sheet only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The following table shows the impact of netting arrangement on:

- (i) all financial assets and liabilities that are reported on the balance sheet; and
- (ii) all derivative financial instruments and reverse repurchase agreement and borrowing arrangements (offsetting arrangement and financial collateral) but do not qualify for netting.

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Gross amounts of recognised financial assets/ financial liabilities RM'000	Related amounts not set off in the statements of financial position		Net amount RM'000
		Financial instruments RM'000	Financial collateral RM'000	
Group				
2025				
Financial assets				
Securities purchased under resale agreements	34,474	-	(34,474)	-
Derivative assets	2,452,598	(1,045,547)	(619,837)	787,214
Financial liabilities				
Obligations on securities sold under repurchase agreements	7,440,728	(7,415,544)	(13,804)	11,380
Derivative liabilities	2,808,567	(1,045,547)	(240,179)	1,522,841
2024				
Financial assets				
Securities purchased under resale agreements	59,355	-	(59,355)	-
Derivative assets	2,748,423	(1,041,110)	(311,488)	1,395,825
Financial liabilities				
Obligations on securities sold under repurchase agreements	13,412,388	(13,344,648)	(67,609)	131
Derivative liabilities	2,285,168	(1,041,110)	(359,855)	884,203

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Offsetting Financial Assets and Financial Liabilities (continued)

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements (continued):

	Gross amounts of recognised financial assets/ financial liabilities RM'000	Related amounts not set off in the statements of financial position		Net amount RM'000
		Financial instruments RM'000	Financial collateral RM'000	
Bank				
2025				
Financial assets				
Derivative assets	2,594,126	(1,269,940)	(580,600)	743,586
Financial liabilities				
Obligations on securities sold under repurchase agreements	11,568,389	(11,472,580)	(13,804)	82,005
Derivative liabilities	2,762,065	(1,269,940)	(269,679)	1,222,446
2024				
Financial assets				
Securities purchased under resale agreements	100,213	-	-	100,213
Derivative assets	2,832,307	(1,038,527)	(311,488)	1,482,292
Financial liabilities				
Obligations on securities sold under repurchase agreements	16,273,461	(16,202,322)	(67,609)	3,530
Derivative liabilities	2,483,745	(1,038,527)	(359,855)	1,085,363

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(f) Fair Value of Financial Instruments

The Group and the Bank analyses its financial instruments measured at fair value into three categories as described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Valuations derived from valuation techniques in which significant inputs are not based on observable market data.

The table below shows financial instruments carried at fair value analysed by level within the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2025				
Financial assets				
Financial assets at FVTPL:	619,031	4,492,565	747,321	5,858,917
- Money market instruments	-	1,532,441	-	1,532,441
- Quoted securities	619,031	-	-	619,031
- Unquoted securities	-	2,960,124	747,321	3,707,445
Financial assets at FVOCI:	3,862	55,133,875	886,175	56,023,912
- Money market instruments	-	23,048,171	-	23,048,171
- Quoted securities	3,862	-	-	3,862
- Unquoted securities	-	32,085,704	886,175	32,971,879
Derivative assets	-	2,452,598	-	2,452,598
	622,893	62,079,038	1,633,496	64,335,427
Financial liabilities				
Derivative liabilities	28,682	2,779,885	-	2,808,567
2024				
Financial assets				
Financial assets at FVTPL:	368,004	4,458,599	873,279	5,699,882
- Money market instruments	-	2,003,189	-	2,003,189
- Quoted securities	368,004	-	-	368,004
- Unquoted securities	-	2,455,410	873,279	3,328,689
Financial assets at FVOCI:	3,402	50,945,435	827,758	51,776,595
- Money market instruments	-	24,062,380	-	24,062,380
- Quoted securities	3,402	-	-	3,402
- Unquoted securities	-	26,883,055	827,758	27,710,813
Derivative assets	-	2,748,423	-	2,748,423
	371,406	58,152,457	1,701,037	60,224,900
Financial liabilities				
Derivative liabilities	37,267	2,247,901	-	2,285,168

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

55 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Fair Value of Financial Instruments (continued)

The table below shows financial instruments carried at fair value analysed by level within the fair value hierarchy (continued):

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Bank				
2025				
Financial assets				
Financial assets at FVTPL:	153,056	2,644,330	-	2,797,386
- Money market instruments	-	1,251,139	-	1,251,139
- Quoted securities	153,056	-	-	153,056
- Unquoted securities	-	1,393,191	-	1,393,191
Financial assets at FVOCI:	-	45,826,900	839,143	46,666,043
- Money market instruments	-	19,374,767	-	19,374,767
- Unquoted securities	-	26,452,133	839,143	27,291,276
Derivative assets	-	2,594,126	-	2,594,126
	153,056	51,065,356	839,143	52,057,555
Financial liabilities				
Derivative liabilities	-	2,762,065	-	2,762,065
2024				
Financial assets				
Financial assets at FVTPL:	1,342	3,080,765	-	3,082,107
- Money market instruments	-	1,863,805	-	1,863,805
- Quoted securities	1,342	-	-	1,342
- Unquoted securities	-	1,216,960	-	1,216,960
Financial assets at FVOCI:	-	42,285,064	782,050	43,067,114
- Money market instruments	-	19,781,758	-	19,781,758
- Unquoted securities	-	22,503,306	782,050	23,285,356
Derivative assets	-	2,832,307	-	2,832,307
	1,342	48,198,136	782,050	48,981,528
Financial liabilities				
Derivative liabilities	-	2,483,745	-	2,483,745

There were no transfers between Level 1 and 2 during the financial year.

(i) Valuation techniques

Financial instruments are classified as Level 1 if their values are observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted prices is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an on-going basis. These would include quoted securities and unit trusts.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques that use market parameters including but not limited to yield curves, volatilities and foreign exchange rates as inputs. The majority of valuation techniques employ only observable market data. These would include certain bonds, government bonds, corporate debt securities and derivatives.

55 FINANCIAL RISK MANAGEMENT (CONTINUED)
(f) Fair Value of Financial Instruments (continued)

(i) Valuation techniques (continued)

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). This category includes unquoted shares held for socio-economic reasons, unquoted private equity funds, non-transferable and non-tradable perpetual notes/sukuk, impaired securities and unquoted corporate loan stocks. Fair values for shares held for socio-economic reasons are based on the net tangible assets of the affected companies. Fair values for unquoted private equity funds are based on enterprise valuation method where the main input include earnings before interest, taxes, depreciation and amortisation ('EBITDA'), comparable companies earning multiple and marketable discount. For unquoted corporate loan stocks, discounted cash flow analysis has been performed to determine the recoverability of the instruments.

(ii) Reconciliation of fair value measurements in Level 3

The following represents the changes in Level 3 instruments for the Group and the Bank:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets at FVTPL				
Balance as at the beginning of financial year	873,279	733,335	-	-
Total net (loss)/gain recognised in income statements	(50,333)	166,897	-	-
Purchases	2,495	3,817	-	-
Distribution	(367)	(12,486)	-	-
Exchange differences	(77,753)	(18,284)	-	-
Balance as at the end of the financial year	747,321	873,279	-	-
Financial assets at FVOCI				
Balance as at the beginning of financial year	827,758	772,436	782,050	729,292
Total net gain recognised in other comprehensive income	58,684	55,926	57,093	52,936
Purchases	-	2,005	-	-
Settlement/disposal	-	(444)	-	(178)
Exchange differences	(267)	(2,165)	-	-
Balance as at the end of the financial year	886,175	827,758	839,143	782,050

Qualitative information about the fair value measurements using significant unobservable inputs (Level 3):

Description	2025 RM'000	2024 RM'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Group						
Unquoted private equity investments	747,321	873,279	Enterprise valuation method	EBITDA, comparable companies earning multiple, marketability discount, contingent receivable adjustment	EBITDA considered in valuation; Comparable companies earning multiple: 14.1x to 117.0x (2024: 13.7x to 93.6x)	An increase in companies earning multiple or EBITDA will increase fair value, while a higher marketability discount will decrease fair value. A possible shift of 5% in the multiple will change the valuation by RM71,777,000 (2024: RM78,243,000)
Unquoted securities at FVOCI	886,175	827,758	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value
Bank						
Unquoted securities at FVOCI	839,143	782,050	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

56 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

- (a) The fair value of each financial assets and liabilities presented on the statements of financial position of the Group and the Bank approximates the carrying amount as at the reporting date, except for the following:

	Group		Bank	
	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
2025				
Financial assets				
Deposits and placements with banks and other financial institutions	548,947	544,909	8,549,203	8,546,710
Investment account due from designated financial institutions	-	-	6,719,876	6,796,644
Financial investments at amortised cost	27,815,410	28,052,038	17,268,818	17,445,960
Loans, advances and financing	247,910,408	247,688,957	141,194,266	141,177,901
Financial liabilities				
Deposits from customers	252,537,199	253,215,636	151,648,804	151,848,574
Deposits and placements of banks and other financial institutions	31,017,827	30,230,990	32,483,183	31,809,578
Obligations on securities sold under repurchase agreements	7,440,728	7,442,455	11,568,389	11,568,201
Recourse obligation on loans sold to Cagamas	2,772,403	2,781,278	-	-
Senior debt securities	7,019,953	7,036,700	7,019,953	7,036,700
Subordinated obligations	3,381,872	3,400,950	2,520,509	2,535,089
2024				
Financial assets				
Deposits and placements with banks and other financial institutions	811,180	808,678	8,037,443	8,013,844
Investment account due from designated financial institutions	-	-	4,640,875	4,680,556
Financial investments at amortised cost	30,112,469	30,516,366	18,930,344	19,400,509
Loans, advances and financing	234,967,648	234,724,756	137,221,740	137,216,836
Financial liabilities				
Deposits from customers	249,565,470	250,383,047	155,078,777	155,403,867
Deposits and placements of banks and other financial institutions	27,205,021	26,383,177	28,814,676	28,080,634
Obligations on securities sold under repurchase agreements	13,412,388	13,420,172	16,273,461	16,281,245
Investment accounts	1,258,804	1,289,684	-	-
Recourse obligation on loans sold to Cagamas	2,104,358	2,131,371	900,024	875,649
Senior debt securities	6,573,859	6,493,503	6,573,859	6,493,503
Subordinated obligations	3,380,268	3,382,006	2,522,031	2,528,986

56 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

- (b) The following table analyses within the fair value hierarchy of the Group and the Bank's assets and liabilities not measured at fair value but for which fair value is disclosed:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2025				
Financial assets				
Deposits and placements with banks and other financial institutions	-	544,909	-	544,909
Financial investments at amortised cost	-	27,828,502	223,536	28,052,038
Loans, advances and financing	-	247,688,957	-	247,688,957
Financial liabilities				
Deposits from customers	-	253,215,636	-	253,215,636
Deposits and placements of banks and other financial institutions	-	30,230,990	-	30,230,990
Obligations on securities sold under repurchase agreements	-	7,442,455	-	7,442,455
Recourse obligation on loans sold to Cagamas	-	2,781,278	-	2,781,278
Senior debt securities	-	7,036,700	-	7,036,700
Subordinated obligations	-	3,400,950	-	3,400,950
2024				
Financial assets				
Deposits and placements with banks and other financial institutions	-	808,678	-	808,678
Financial investments at amortised cost	-	30,270,178	246,188	30,516,366
Loans, advances and financing	-	234,724,756	-	234,724,756
Financial liabilities				
Deposits from customers	-	250,383,047	-	250,383,047
Deposits and placements of banks and other financial institutions	-	26,383,177	-	26,383,177
Obligations on securities sold under repurchase agreements	-	13,420,172	-	13,420,172
Investment accounts	-	1,289,684	-	1,289,684
Recourse obligation on loans sold to Cagamas	-	2,131,371	-	2,131,371
Senior debt securities	-	6,493,503	-	6,493,503
Subordinated obligations	-	3,382,006	-	3,382,006

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

56 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

- (b) The following table analyses within the fair value hierarchy of the Group and the Bank's assets and liabilities not measured at fair value but for which fair value is disclosed (continued):

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Bank				
2025				
Financial assets				
Deposits and placements with banks and other financial institutions	-	8,546,710	-	8,546,710
Investment account due from designated financial institutions	-	6,796,644	-	6,796,644
Financial investments at amortised cost	-	17,445,960	-	17,445,960
Loans, advances and financing	-	141,177,901	-	141,177,901
Financial liabilities				
Deposits from customers	-	151,848,574	-	151,848,574
Deposits and placements of banks and other financial institutions	-	31,809,578	-	31,809,578
Obligations on securities sold under repurchase agreements	-	11,568,201	-	11,568,201
Senior debt securities	-	7,036,700	-	7,036,700
Subordinated obligations	-	2,535,089	-	2,535,089
2024				
Financial assets				
Deposits and placements with banks and other financial institutions	-	8,013,844	-	8,013,844
Investment account due from designated financial institutions	-	4,680,556	-	4,680,556
Financial investments at amortised cost	-	19,400,509	-	19,400,509
Loans, advances and financing	-	137,216,836	-	137,216,836
Financial liabilities				
Deposits from customers	-	155,403,867	-	155,403,867
Deposits and placements of banks and other financial institutions	-	28,080,634	-	28,080,634
Obligations on securities sold under repurchase agreements	-	16,281,245	-	16,281,245
Recourse obligation on loans sold to Cagamas	-	875,649	-	875,649
Senior debt securities	-	6,493,503	-	6,493,503
Subordinated obligations	-	2,528,986	-	2,528,986

56 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(c) The fair values are based on the following methodologies and assumptions:

- (i) Cash and short-term funds, deposits and placements with banks and other financial institutions and investment account due from designated financial institutions

For cash and short-term funds, deposits and placements with banks and other financial institutions and investment account due from designated financial institutions with maturities of less than six months, the carrying value is a reasonable estimate of fair value. For items with maturities of six months and above, estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

- (ii) Securities purchased under resale agreements

The fair values of securities purchased under resale agreements with maturities of less than six months approximate the carrying values. For securities purchased under resale agreements with maturities of six months and above, the estimated fair values are based on discounted cash flows using prevailing market rates for the remaining term to maturity.

- (iii) Financial assets at FVTPL, financial assets at FVOCI and financial investments at amortised cost

The estimated fair value for financial assets at FVTPL, financial assets at FVOCI and financial investments at amortised cost is based on quoted and observable market prices. Where there is no ready market in certain securities, fair values have been assessed by reference to market indicative yield or net tangible asset backing of the investee. Where discounted cash flow technique is used, the estimated future cash flows are discounted using the prevailing market rates for a similar instrument at the date of statements of financial position.

- (iv) Loans, advances and financing

For floating rate loans/financing, the carrying value is generally a reasonable estimate of fair value.

For fixed rate loans/financing, the fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of loans/financing with similar credit risk and maturities.

The fair values of impaired loans/financing are represented by their carrying value, net of impairment allowance.

- (v) Other assets and liabilities

The carrying value less any estimated impairment allowance for financial assets and liabilities included in 'other assets and liabilities' are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

- (vi) Deposits from customers

For deposits from customers with maturities of less than six months, the carrying amounts are reasonable estimates of their fair values. For deposits with maturities of six months and above, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

56 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

(c) The fair values are based on the following methodologies and assumptions (continued):

(vii) Deposits and placements of banks and other financial institutions, obligations on securities sold under repurchase agreements, investment accounts and bills and acceptances payable

The estimated fair values of deposits and placements of banks and other financial institutions, obligations on securities sold under repurchase agreements, investment accounts and bills and acceptances payable with maturities of less than six months approximate the carrying values. For items with maturities of six months and above, the fair values are estimated based on discounted cash flows using prevailing money market interest rates with similar remaining period to maturity.

(viii) Recourse obligation on loans sold to Cagamas

For amounts due to Cagamas with maturities of less than one year, the carrying amounts are a reasonable estimate of their fair values. For amounts due to Cagamas with maturities of more than one year, fair value is estimated based on discounted cash flows using prevailing money market interest rates with similar remaining period to maturity.

(ix) Lease liabilities

The estimated fair value of lease liabilities with maturities of less than six months approximate the carrying values. For other lease liabilities with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing market rates of incremental borrowings.

(x) Borrowings

For floating rate borrowings, the carrying value is generally a reasonable estimate of fair value.

The estimated fair values of fixed rate borrowings with maturities of less than six months approximate the carrying values. For fixed rate borrowings with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing market rates for borrowings with similar risk profile.

(xi) Senior debt securities

The estimated fair value of senior debt securities is generally based on quoted and observable market prices at the date of statements of financial position.

(xii) Subordinated obligations

The estimated fair value of subordinated obligations is generally based on quoted and observable market prices at the date of statements of financial position.

(xiii) Credit related commitments and contingencies

The net fair value of these items was not calculated as estimated fair values are not readily ascertainable. These financial instruments generally relate to credit risks and attract fees in line with market prices for similar arrangements. They are not presently sold nor traded. The fair value may be represented by the present value of fees expected to be received, less associated costs.

(xiv) Foreign exchange and interest rate related contracts

The fair values of foreign exchange and interest rate related contracts are the estimated amounts the Group or the Bank would receive to sell or pay to transfer the contracts at the date of statements of financial position.

57 IBOR REFORM

The Group and the Bank hold the following financial instruments which are referenced to the current benchmark interest rates and have yet to transition to an alternative interest rate benchmark:

	Group Nominal Amount		Bank Nominal Amount	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
2025				
(a) Derivative assets/liabilities				
Interest rate swaps				
KLIBOR	66,764,083	52,724,999	68,447,083	57,831,999
Cross currency swaps				
KLIBOR	5,026,811	1,088,260	5,402,589	1,088,260
Options				
KLIBOR	1,100,000	-	1,100,000	-
(b) Investment accounts				
KLIBOR	-	-	5,020,693	-
(c) Other liabilities				
Structured deposits				
KLIBOR	-	4,897,810	-	3,793,810
2024				
(a) Derivative assets/liabilities				
Interest rate swaps				
KLIBOR	47,414,818	43,237,069	48,654,818	46,927,069
Cross currency swaps				
KLIBOR	2,172,640	3,024,530	2,991,815	3,024,530
Options				
KLIBOR	800,000	-	800,000	-
(b) Investment accounts				
KLIBOR	-	449,991	3,549,215	-
(c) Other liabilities				
Structured deposits				
KLIBOR	-	2,370,424	-	1,449,324

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

58 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

- (1) **Bancassurance/Bancatakaful transaction between the Bank and RHB Islamic Bank with Tokio Marine Life Insurance Malaysia Bhd ('TMLM') and its takaful partners namely Syarikat Takaful Malaysia Keluarga Berhad ('STMKB') and its wholly-owned subsidiary, Syarikat Takaful Malaysia Am Berhad ('STMAB')**

The Bank and its wholly-owned subsidiary, RHB Islamic Bank, had on 1 August 2025, entered into a bancassurance/bancatakaful transaction (the 'Transaction') with TMLM, STMKB and STMAB.

The Transaction includes, in particular, the following:

- (i) bancassurance agreement between the Bank and TMLM in respect of the distribution of conventional life insurance products ('Conventional Bancassurance Agreement');
- (ii) bancatakaful agreement between RHB Islamic Bank and STMKB in respect of the distribution of family takaful products ('Family Bancatakaful Agreement');
- (iii) bancatakaful agreement between RHB Islamic Bank and STMAB in respect of the distribution of general takaful products ('General Bancatakaful Agreement'); and
- (iv) framework agreement between the Bank and RHB Islamic Bank and the Insurer/Takaful Operators as part of the overall framework for the bancassurance/bancatakaful partnership ('Framework Agreement'), for a total access fee of up to RM1,615.0 million ('Total Access Fee').

The Conventional Bancassurance Agreement, Family Bancatakaful Agreement and General Bancatakaful Agreement are collectively referred to as 'Distribution Agreements'. The Distribution Agreements and Framework Agreement shall be collectively referred to as 'Transaction Documents'. TMLM, STMKB and STMAB shall be collectively referred to as the 'Insurer/Takaful Operators'.

The Transaction involves the Distribution Agreements which are entered into separately between the Bank and TMLM, and between RHB Islamic Bank and STMKB and STMAB respectively, as well as the Framework Agreement entered into by the parties on 1 August 2025.

Under the Distribution Agreements, the Bank and RHB Islamic Bank shall exclusively sell, distribute, market and promote the conventional life insurance products, the family takaful products and the general takaful products developed by the Insurer/Takaful Operators in Malaysia, to the extent permitted by the applicable laws and regulatory requirements.

The Framework Agreement is entered into as part of the overall framework for the bancassurance/bancatakaful partnership and the RHB-facing one-stop-shop arrangements of the parties where each Insurer/Takaful Operators shall implement and coordinate with each other, the activities of the ONE Unified Banca Collective. For the avoidance of doubt, the 'ONE Unified Banca Collective' means TMLM, STMKB and STMAB collectively.

The salient terms of the Distribution Agreements are as follows:

- (i) Term

Subject to termination due to any termination grounds, the term of the Distribution Agreements is twenty (20) years from the commencement date of 1 August 2025 and shall mature on 31 July 2045.

- (ii) Products

All products solely capable of being written or manufactured under a conventional life insurance licence, family takaful licence and general takaful license in Malaysia.

- (iii) Termination

Each Party has the right to terminate the Distribution Agreements upon the occurrence of certain events and subject to varying termination fees as set out in the Distribution Agreements.

58 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (CONTINUED)

- (1) **Bancassurance/Bancatakaful transaction between the Bank and RHB Islamic Bank with Tokio Marine Life Insurance Malaysia Bhd ('TMLM') and its takaful partners namely Syarikat Takaful Malaysia Keluarga Berhad ('STMKB') and its wholly-owned subsidiary, Syarikat Takaful Malaysia Am Berhad ('STMAB') (continued)**

The salient Terms of the Framework Agreement are as follows:

- (i) 'RHB-Facing One-Stop-Shop' Principle

Under the Framework Agreement, each Insurer/Takaful Operators shall coordinate with each other to implement the activities of the ONE Unified Banca Collective, including bancassurance/bancatakaful management to support distribution initiatives and ensuring timely implementation of the agreed operating model across the bancassurance/bancatakaful partnership. For the avoidance of doubt, TMLM will play a primary liaison role in communicating and coordinating between the Insurer/Takaful Operators to facilitate a seamless overall communication process between the Insurer/Takaful Operators and the Bank and RHB Islamic Bank.

The composition of the ONE Unified Banca Collective shall not be changed throughout the term without the prior written consent of the Bank and RHB Islamic Bank. The Bank and RHB Islamic Bank shall also have direct visibility and recourse in respect of actions of all members of the ONE Unified Banca Collective.

- (ii) Term

Unless otherwise agreed by the parties, the Framework Agreement takes effect on 1 August 2025 and will continue in full force and effect until the date by which all Distribution Agreements expire or are terminated.

59 EVENT SUBSEQUENT TO THE FINANCIAL YEAR END

Ke-Zan Nominees Tempatan Sdn Bhd, a wholly-owned subsidiary of RHB Investment Bank, which in turn is wholly-owned by the Bank, had been dissolved on 2 January 2026 pursuant to Section 459(5) of the Companies Act 2016.

Statement by Directors

Pursuant to Section 251(2) of The Companies Act 2016

We, Tan Sri Ahmad Badri Mohd Zahir and Dato' Mohd Rashid Mohamad, being two of the Directors of RHB Bank Berhad state that, in the opinion of the Directors, the financial statements set out on pages 8 to 185 are drawn up so as to give a true and fair view of the financial position of the Group and the Bank as at 31 December 2025 and financial performance of the Group and of the Bank for the financial year ended on 31 December 2025 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

TAN SRI AHMAD BADRI MOHD ZAHIR
CHAIRMAN

Kuala Lumpur
27 February 2026

DATO' MOHD RASHID MOHAMAD
GROUP MANAGING DIRECTOR

Statutory Declaration

Pursuant to Section 251(1) of The Companies Act 2016

I, Mohamed Bin Rastam Shahrom, the Officer primarily responsible for the financial management of RHB Bank Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 8 to 185 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

MOHAMED BIN RASTAM SHAHROM
(MIA Membership No: 24197)

Subscribed and solemnly declared by the abovenamed Mohamed Bin Rastam Shahrom at Kuala Lumpur in Malaysia on 27 February 2026.

COMMISSIONER FOR OATHS
Kuala Lumpur

Independent Auditors' Report

To The Members of RHB Bank Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of RHB Bank Berhad ('the Bank') and its subsidiaries ('the Group') give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Bank, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 8 to 185.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the 'Auditors' responsibilities for the audit of the financial statements' section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Bank. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Bank, the accounting processes and controls, and the industry in which the Group and the Bank operate.

Independent Auditors' Report

To The Members of RHB Bank Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Bank for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Bank as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><i>Allowances for credit losses of loans, advances and financing, and financial investments at amortised cost for the Group and the Bank</i></p> <p>Refer to:</p> <ul style="list-style-type: none"> - Accounting policy 22; - Critical accounting estimates and assumptions (2); and - Notes 7, 8, and 42 of the financial statements. <p>MFRS 9 introduces an expected credit loss ('ECL') impairment model, which requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.</p> <p>This is an area of focus as the Directors make significant judgements in applying the accounting requirements for measuring ECL, such as:</p> <ul style="list-style-type: none"> - Choosing the appropriate collective assessment models used to calculate ECL. The models are inherently complex and judgement is applied in determining the appropriate construct model; - Identification of loans, advances and financing, and financial investments at amortised cost that have experienced a significant increase in credit risk; and - Assumptions used in the ECL models which are expected future cash flows, forward-looking macroeconomic factors, probability weighted multiple scenarios, datasets to be used as input to the models, including identifying and calculating adjustments to model output (model overlay adjustments). 	<p><u>Individual assessment</u></p> <p>We evaluated the design and operating effectiveness of the controls over the identification of loans, advances and financing, and financial investments at amortised cost that have experienced significant increase in credit risk or objective evidence of impairment and the process of forecasting future cash flows to determine the ECL amount.</p> <p>Where the loans, advances and financing are individually assessed, we performed the following procedures:</p> <ul style="list-style-type: none"> • Examined a sample of loans, advances and financing, and financial investment at amortised cost selected based on risk with particular focus on borrowers in high risk industries or affected by recent adverse market developments, rescheduled and restructured accounts and borrowers with lower credit quality and formed our judgement whether the Directors' assessment on either the objective evidence of impairment or significant increase in credit risk was appropriate; and • Where objective evidence of impairment was identified and impairment loss was individually calculated, we assessed the adequacy of impairment allowance by examining both the quantum and timing of future cash flows prepared by the Directors to calculate the amount of ECL, challenging the assumptions and comparing the collateral values assumed in the cash flow forecasts to external valuation reports. We also re-performed the calculations of discounted cash flows. <p><u>Collective assessment</u></p> <p>To determine the appropriateness of the MFRS 9 collective assessment ECL models implemented by the Group and the Bank, we have:</p> <ul style="list-style-type: none"> - Assessed the methodologies and significant modelling assumptions inherent within the ECL models applied against the requirements of MFRS 9, including the basis used by the Group and the Bank to determine the key assumptions used in respective ECL models;

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)
Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
	<p data-bbox="899 539 1222 569"><u>Collective assessment (continued)</u></p> <ul style="list-style-type: none"> <li data-bbox="899 598 1611 773">- Tested the design and operating effectiveness of the controls relating to: <ul style="list-style-type: none"> <li data-bbox="951 659 1611 716">o Governance and model development, including model build, model approval and model validation; <li data-bbox="951 721 1611 750">o Data used to determine the allowances for credit losses; and <li data-bbox="951 755 1611 773">o Calculation, review and approval of the ECL calculation. <li data-bbox="899 802 1611 861">- Assessed and considered reasonableness of forward looking forecasts assumptions; <li data-bbox="899 891 1611 950">- Assessed the reasonableness and tested the calculation of overlay adjustments to the ECL due to the impact of emerging risks; <li data-bbox="899 979 1611 1038">- Checked the accuracy of data and calculation of the ECL amount, on a sample basis; and <li data-bbox="899 1068 1611 1154">- Involved our financial risk modelling experts and IT specialists in areas such as reviewing the appropriateness of the ECL models and data reliability. <p data-bbox="899 1183 1611 1274">Based on the above procedures, the results of our evaluation of the allowances for credit losses for loans, advances and financing, and financial investments at amortised cost are consistent with the Directors' assessment.</p>

Information other than the financial statements and auditors' report thereon

The Directors of the Bank are responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditors' report, and Annual Report and Sustainability Report, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Bank and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

To The Members of RHB Bank Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Responsibilities of the Directors for the financial statements

The Directors of the Bank are responsible for the preparation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the Directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Bank for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT

LLP0014401-LCA & AF 1146

Chartered Accountants

Kuala Lumpur

27 February 2026

ONG CHING CHUAN

02907/11/2027 J

Chartered Accountant

FINANCIAL DATA FOR SHARIAH SCREENING

Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

	Remarks	Group	
		2025 (RM)	2024 (RM)
Total Income			
Interest income		9,811,600,000	10,134,048,000
Other income		2,734,769,000	2,559,614,000
Share of result of associates		(27,659,000)	(26,192,000)
Others	Income from Islamic Banking business	2,159,313,000	2,175,980,000
Total		14,678,023,000	14,843,450,000
Total Assets		358,104,242,000	349,914,647,000

(B) Business Activities

	Remarks	Group	
		2025 (RM)	2024 (RM)
Shariah Non-Compliant Activities			
Other Shariah non-compliant activities	Share of result of associates	(27,659,000)	(26,192,000)
Conventional banking & finance and related services	Interest income and other income	12,546,369,000	12,693,662,000
Total		12,518,710,000	12,667,470,000

(C) Component of Financial Position

(i) Cash Component

	Remarks	Group	
		2025 (RM)	2024 (RM)
Islamic Account/Instruments			
Cash at bank (exclude cash in hand)		78,859,602	202,035,468
Cash in hand		55,986	3,506,050
Short-term deposits		1,301,274,752	1,019,044,969
Deposits with licensed bank		-	224,224,354
Financial assets/instruments		118,578,378,000	108,997,232,000
Total		119,958,568,340	110,446,042,841
Conventional Account/Instruments			
Cash at bank (exclude cash in hand)		2,923,856,873	3,237,576,629
Short-term deposits		939,506,248	5,409,456,031
Deposits with licensed bank		548,947,000	586,955,646
Financial assets/instruments		217,562,253,000	212,400,573,000
Other cash equivalents	Securities purchased under resale agreements	34,474,000	59,355,000
Total		222,009,037,121	221,693,916,306

(C) Component of Financial Position (continued)

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Bank borrowings		-	786,022,337
Islamic medium-term notes		1,505,874,000	301,660,000
Bill payables		2,205,795	2,705,000
Repurchase agreements		531,450,916	-
Other Islamic financing facility	Recourse obligation on loans sold to Cagamas	621,693,764	104,334,000
Non-Current			
Bank borrowings		915,856,172	-
Islamic medium-term notes		3,213,300,000	3,819,016,000
Other Islamic financing facility	Subordinated Sukuk Murabahah	760,278,000	757,152,000
Other Islamic financing facility	Recourse obligation on loans sold to Cagamas	2,150,709,589	1,100,000,000
Total		9,701,368,236	6,870,889,337

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Bank borrowings		2,315,429,000	523,454,663
Medium-term notes		2,234,197,000	-
Bill payables		281,027,205	258,887,000
Repurchase agreements		6,909,276,945	12,984,315,000
Other interest bearing debt	Recourse obligation on loans sold to Cagamas	-	900,024,000
Non-Current			
Bank borrowings		1,913,125,828	1,313,030,000
Medium-term notes		66,582,000	2,453,183,000
Repurchase agreements		-	428,073,000
Other interest bearing debt	Subordinated notes	2,621,594,000	2,623,116,000
Total		16,341,231,978	21,484,082,663

This disclosure of financial data for Shariah screening should be read in conjunction with the Audited Financial Statements of the Group for the financial year ended 31 December 2025.

RHB BANK GROUP

BASEL II PILLAR 3

Disclosures As At 31 December 2025

196	List of Tables
197	Statement by Group Managing Director
198	1.0 Introduction
199	2.0 Scope of Application
200	3.0 Capital Management
201	3.1 Internal Capital Adequacy Assessment Process (ICAAP)
201	3.2 Basel III Implementation
202	3.3 Capital Adequacy Ratios
203	3.4 Minimum Capital Requirements and Risk-Weighted Assets (RWA)
205	4.0 Capital Structure
206	5.0 Risk Management
209	6.0 Credit Risk
209	6.1 Credit Risk Management Oversight and Organisation
210	6.2 Credit Risk Management Approach
211	6.3 Credit Monitoring and Annual Reviews
212	6.4 Off-Balance Sheet Exposures and Counterparty Credit Risk (CCR)
212	6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches
226	6.6 Use of External Ratings
228	6.7 Internal Credit Rating Models
242	6.8 Impairment Allowances for Loans/Financing
248	7.0 Market Risk
251	8.0 Equity Exposures in The Banking Book
252	9.0 Liquidity Risk
253	10.0 Interest Rate Risk/Rate of Return Risk in The Banking Book
255	11.0 Operational Risk
258	12.0 Shariah Non-Compliance Risk and Governance
259	13.0 Investment Account
262	14.0 Country Cross-Border Risk
262	15.0 Reputational Risk
262	16.0 Forward Looking Statements

List of Tables

Table No	Description	Page(s)
Table 1	Capital Adequacy Ratios	202
Table 2	Risk-Weighted Assets (RWA) by Risk Types	203
Tables 3a & 3b	Risk-Weighted Assets by Risk Types and Minimum Capital Requirements	203-204
Table 4	Capital Structure	205
Tables 5a & 5b	Summary of Credit Exposures with Credit Risk Mitigation (CRM) by Asset Class and Minimum Capital Requirements (On and Off-Balance Sheet Exposures)	213-216
Tables 6a & 6b	Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation)	217-218
Tables 7a & 7b	Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution	219-220
Tables 8a & 8b	Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector	221-222
Tables 9a & 9b	Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity	223-224
Tables 10a & 10b	Portfolios under the Standardised Approach by Risk Weights	225
Tables 11a & 11b	Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs)	226-227
Tables 12a & 12b	Exposures Subject to the Supervisory Risk Weights under the IRB Approach	230
Tables 13a & 13b	Exposures under the IRB Approach by PD Band, Exposure Weighted Average Loss Given Default (LGD) and Exposure Weighted Average Risk Weights	231-234
Tables 14a & 14b	Exposures under the A-IRB Approach by EL Range and Exposure Weighted Average Risk Weights	235-236
Table 15	Exposures under IRB Approach by Actual Losses versus Expected Losses	237
Tables 16a & 16b	Credit Risk Mitigation of Portfolios under the Standardised Approach	238-239
Tables 17a & 17b	Credit Risk Mitigation of Portfolios under the IRB Approach	240-241
Tables 18a & 18b	Impaired and Past Due Loans/Financing and Allowance for Credit Losses by Industry Sector	244-245
Table 19	Net Charges/(Write back) and Write-Offs for Loans/Financing Impairment by Industry Sector	245
Tables 20a & 20b	Impaired and Past Due Loans/Financing and Allowance for Credit Losses by Geographical Distribution	246
Tables 21a & 21b	Movement in Loans/Financing Allowance for Credit Losses	247
Tables 22a & 22b	Market Risk-Weighted Assets and Minimum Capital Requirements	249-250
Table 23	Equity Exposures in the Banking Book	251
Tables 24a & 24b	Interest Rate Risk/Rate of Return Risk in the Banking Book	254
Tables 25a & 25b	Operational Risk-Weighted Assets and Minimum Capital Requirements	257
Table 26	Disclosure on Profit Sharing Investment Account	261
Table 27	Glossary of Terms	263

Statement by Group Managing Director

In accordance with the requirements of Bank Negara Malaysia's Guideline on Risk-Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3), and on behalf of the Board of Directors and Senior Management of RHB Bank Berhad, I am pleased to provide an attestation that the Basel II Pillar 3 disclosures of RHB Bank Berhad for the year ended 31 December 2025 are accurate and complete.

DATO' MOHD RASHID BIN MOHAMAD
Group Managing Director

RHB Bank Group Basel II Pillar 3 Disclosures

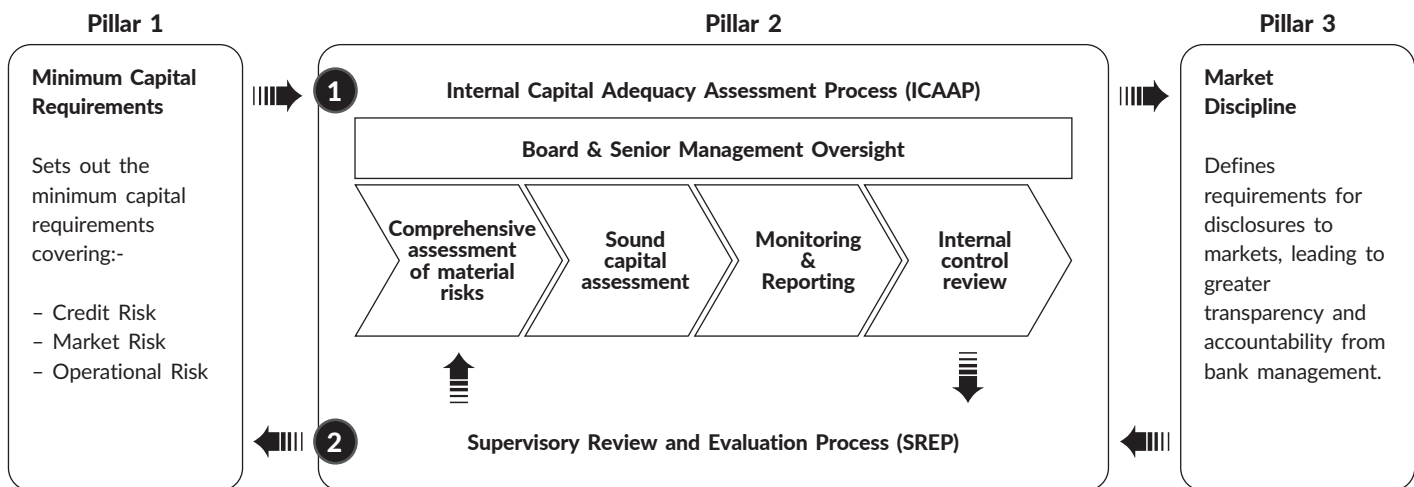
as at 31 December 2025

1.0 INTRODUCTION

This document describes RHB Bank Group’s risk profile, risk management practices and capital adequacy position in accordance with the disclosure requirements as outlined in the Risk-Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3) issued by Bank Negara Malaysia (BNM’s Pillar 3 Guidelines).

BNM’s guidelines on Capital Adequacy Framework (Basel II – Risk-Weighted Assets) and the Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) provide and specify the approaches for quantifying the risk-weighted assets for credit risk, market risk and operational risk.

The Basel II approach based on the three pillars can be diagrammatically depicted as below:



Pillar 1 provides guidelines for calculation of risk-weighted assets for credit risk, market risk and operational risk, and the minimum amount of regulatory capital that banks must hold against the risks they assume.

Effective 1 January 2025, BNM implemented new Basel III Capital Adequacy Framework (CAF) policy documents for Operational Risk and Exposures to Central Counterparties (CCPs):

- Capital Adequacy Framework (Operational Risk) sets out the capital requirements based on Standardised Approach, superseding all existing approaches in the Basel II framework.
- Capital Adequacy Framework (Exposures to Central Counterparties) sets out the requirements to manage the risks arising from exposures to central counterparties in the capacity as a clearing member or as a client of a clearing member.

For the purposes of complying with regulatory requirements under Pillar 1 of the Basel framework, as implemented by BNM, the approaches adopted by the respective banking entities within the Group are as follows:

Entity	Credit Risk	Market Risk	Operational Risk
RHB Bank Berhad	Internal Ratings-Based Approach	Standardised Approach	Standardised Approach (previously Basic Indicator Approach)
RHB Islamic Bank Berhad			
RHB Investment Bank Berhad	Standardised Approach		

Pillar 2 comprises two components as follows:

- Placing obligations on banks to develop an Internal Capital Adequacy Assessment Process, and setting capital targets that commensurate with the banking institution’s risk profile and control environment; and
- Placing obligations on the supervisory authority to evaluate how well banking institutions are assessing their capital needs relative to their risks and to intervene, where appropriate.

1.0 INTRODUCTION (CONTINUED)

Pillar 3 covers external communication of risk and capital information by banks. The purpose of the Pillar 3 disclosures is to complement the minimum capital requirements under Pillar 1 and the supervisory review process under Pillar 2 by encouraging market efficiency through a set of disclosure requirements that will allow market participants to assess information on banking institutions' capital structures, risk exposures, risk management processes, and overall capital adequacy.

Basis of Disclosure

The annual Pillar 3 disclosure report is published in accordance with BNM's Pillar 3 Guidelines. This disclosure report has been verified and approved internally in line with the RHB Banking Group: Basel II Pillar 3 Disclosure Policy.

Comparative Information

This document covers the qualitative and quantitative information for financial year ended 31 December 2025 with comparative quantitative information of the preceding financial year ended 31 December 2024.

Frequency of Disclosure

The qualitative disclosures contained herein are updated on an annual basis or more frequently, if there are significant changes in the interim reporting period. The disclosures on capital adequacy and structure are made on a quarterly basis and all other quantitative disclosures are made on a semi-annual basis in accordance to the Group's reporting period.

Medium and Location of Disclosure

The Group's Pillar 3 disclosure report is made available under the Investor Relations section of the Group's website at www.rhbgroup.com as a separate report in the Group's Annual Report 2025, after the notes to the financial statements.

2.0 SCOPE OF APPLICATION

In this Pillar 3 document, RHB Bank Berhad's information is presented on a consolidated basis, namely RHB Bank Berhad with its overseas operations and its subsidiaries, and is referred to as "RHB Bank Group" or "the Group".

The Group's capital requirements are generally based on the principles of consolidation adopted in the preparation of its financial statements, except where the types of investment are to be deducted from eligible capital as guided by BNM's Guideline on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components).

In accordance with the accounting standards for financial reporting, all subsidiaries of the RHB Bank Group are fully consolidated from the date it obtains control until the date such control ceases. Refer to Note 15 to the financial statements for list of consolidated entities.

RHB Bank Group offers Islamic banking financial services via its wholly-owned subsidiary company, RHB Islamic Bank Berhad (RHB Islamic Bank).

The transfer of funds or regulatory capital within RHB Bank Group is subject to shareholders' and regulatory approval.

During the financial year 2025, there were no capital deficiencies in RHB Bank Berhad or any of its subsidiaries.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

3.0 CAPITAL MANAGEMENT

The overall capital management objective is to manage capital prudently and to maintain a strong capital position to drive sustainable business growth and seek strategic opportunities to enhance shareholders' value, and to be in line with its risk appetite.

Capital adequacy is the extent to which capital resources on the Group's balance sheet are sufficient to cover current business capital requirements and in the foreseeable future. It also indicates the ability of the Group to provide financing across the business cycles and in meeting any contingency without compromising the interest of the depositors and investors. The Group aims to maintain a strong capital position to drive sustainable business growth through an optimal capital structure while meeting regulatory requirements.

The Group's comprehensive capital management strives for a sound capital management that is aligned to BNM's ICAAP requirements. Key activities of our capital management involves the following:

- **Capital Strategy**

Capital strategy includes the determination of capital targets under both normal and stressed market conditions whereby considerations are given to business strategic objectives and the associated risks, external ratings and regulatory capital adequacy requirements. A comprehensive capital adequacy assessment is conducted semi-annually to ensure that the target capital level is appropriate.

- **Capital Planning**

Based on strategic direction and regulatory requirements, the Group formulates a comprehensive and forward looking capital plan to:

- (i) support its overall risk profile and forecast the capital demand for material risks for which capital held is deemed appropriate and aligned with the Group's risk appetite; and
- (ii) provide adequate capital for business growth, changes in asset mix or to cover unanticipated losses.

The capital plan describes the actions required to raise capital in a timely manner in both normal and stressed conditions as assumed in the stress scenarios. For capital planning purposes, capital adequacy is assessed in multi-year financial projections under both normal and stressed scenarios, the objective of which is to ensure that the Group maintains adequate capital on a forward-looking basis.

The Group also establishes a capital contingency plan that forms part of the capital plan. The capital plan, together with the analysis and proposed actions, are reviewed by the Group Chief Financial Officer and deliberated at the respective committees before submission to the relevant Boards for approval.

- **Capital Allocation/Structuring/Optimisation**

The Group determines the amount of capital allocated to each entity and business line based on capital performance target and available funding. An efficient allocation of capital drives returns for the Group's shareholders.

Capital structuring affects the Group through its impact on cash flow and cost of capital. The Group adopts capital structuring that maximises value and minimises overall cost of capital. In order to achieve optimum capital structure, the Group determines the levels, mix and structure of internal and regulatory capital in line with its current and planned levels of business activities, risk appetite and desired level of capital adequacy.

The Group optimises its capital by integrating risk-based capital into its strategy and aligning this with performance measurements.

By leveraging on the capital assessment process and reporting tools as well as aligning to recovery planning process based on BNM requirements, the Group developed early warning triggers and recovery triggers to monitor its risk profile, capture early deterioration, and assess how that affects capital consumption/requirement. The monitoring process ensures that effective capital restoration strategies are activated and implemented on timely basis.

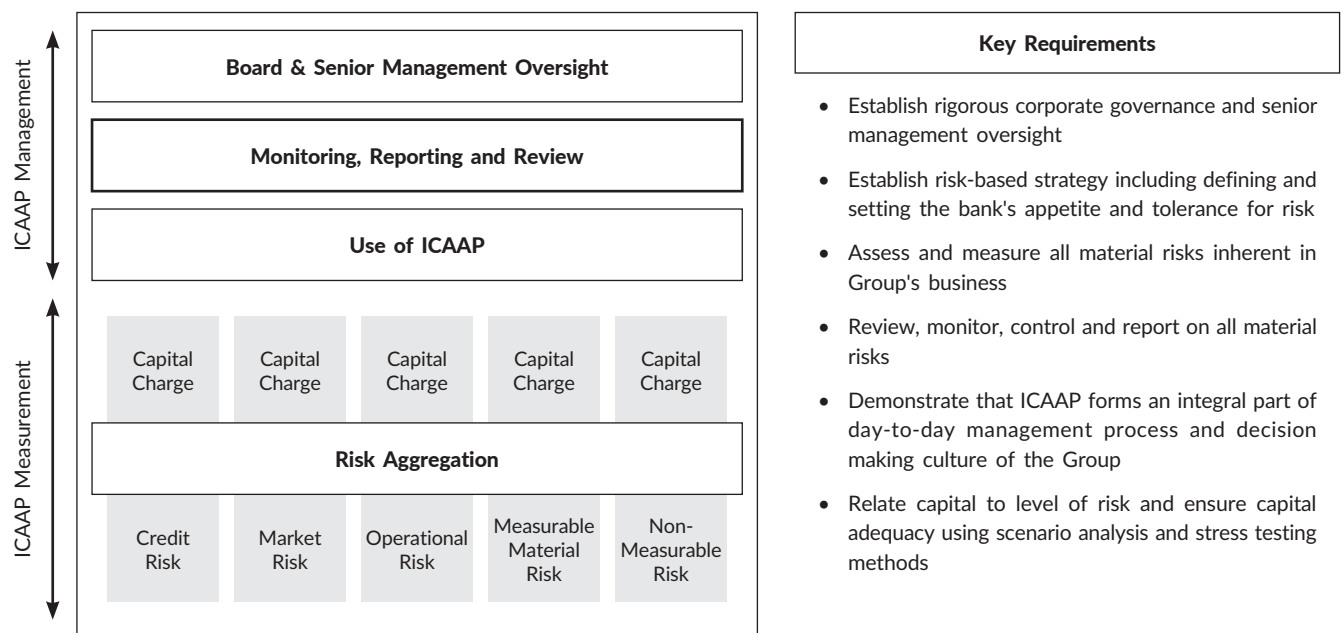
The Group also aims to achieve a balance between dividend payout and the need to retain earnings in order to be consistent with its capital strength while supporting business expansion. The Board reviews the dividend payout recommendation on an annual basis.

3.0 CAPITAL MANAGEMENT (CONTINUED)

3.1 Internal Capital Adequacy Assessment Process (ICAAP)

In line with BNM's Guideline on ICAAP under the Risk-Weighted Capital Adequacy Framework (Basel II) – Internal Capital Adequacy Assessment Process (Pillar 2) and Capital Adequacy Framework for Islamic Banks (CAFIB) – Internal Capital Adequacy Assessment Process (Pillar 2), the Group has implemented ICAAP with the objective of forging a strong alignment between risk and capital. Capital adequacy is assessed in relation to the Group's risk profile, and strategies are in place to maintain appropriate capital levels.

The ICAAP Framework developed and adopted across the Group summarises the key ICAAP requirements into two functional categories, namely; ICAAP Measurement and ICAAP Management as depicted below:



3.2 Basel III Implementation

Basel III is a comprehensive set of reform measures introduced by the Basel Committee on Banking Supervision since 2010 to strengthen the regulation, supervision, and risk management of the banking sector. The measures include both liquidity and capital reform.

The Group has implemented Basel III for the management of both capital and liquidity. The Group capital ratios; Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are set above the regulatory requirements as required under Basel III. The Group is able to maintain the LCR and NSFR above the Basel III regulatory requirements of 100%.

Additionally, the Group has adopted Basel III methodology effective January 2025 for:

- 1) Operational Risk; and
- 2) Exposures to Central Counterparties.

As the Group applies Internal Ratings-Based (IRB) approach for Credit Risk, the implementation of Credit Risk – Standardised Approach (SA) will be together with Credit Risk – Internal Ratings Based Approach at a later date that will be determined once the policy document has been finalised.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

3.0 CAPITAL MANAGEMENT (CONTINUED)

3.3 Capital Adequacy Ratios

BNM's Guideline on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) sets out the general requirements concerning regulatory capital adequacy and the components of eligible regulatory capital. Banking institutions are required to maintain, at all times, the following minimum capital adequacy ratios:

Common Equity Tier I (CET I) Capital Ratio	4.5%
Tier I Capital Ratio	6.0%
Total Capital Ratio	8.0%

In addition, the Group is required to maintain additional capital buffers in the form of CET I capital above the minimum CET I, Tier I and total capital ratios set out above. The capital buffers shall comprise of capital conservation buffer (CCB) of 2.50% and countercyclical capital buffer (CCyB) ranging from 0% to 2.50%. The CCB is intended to enable the banking system to withstand future periods of stress whilst CCyB is intended to protect the banking sector as a whole from the build-up of systemic risk during an economic upswing when aggregate credit growth tends to be excessive. CCyB is determined based on the weighted average of the prevailing CCyB rates applied in the jurisdictions in which the Group has credit exposures. BNM will communicate any decision on the CCyB rate by up to 12 months before the date from which the rate applies.

On top of CCB and CCyB, financial institutions that are designated as Domestic Systemically Important Bank (D-SIB) is required to maintain higher capital buffers that ranges between 0.5% to 1.0% of risk-weighted assets, at the consolidated level. Based on the latest D-SIB listing published by BNM in the Financial Stability Review for First Half 2025, RHB Banking Group is not designated as D-SIB.

The capital ratios of RHB Bank Berhad on consolidated basis (RHB Bank Group), RHB Bank Berhad on global basis (RHB Bank), RHB Islamic Bank and RHB Investment Bank as at 31 December 2025 and 31 December 2024 are:

Table 1: Capital Adequacy Ratios

Capital Ratios	RHB Bank Group		RHB Bank		RHB Islamic Bank		RHB Investment Bank	
	2025	2024	2025	2024	2025	2024	2025	2024
Before proposed dividends								
Common Equity Tier I Capital Ratio	16.138%	17.234%	15.183%	15.959%	15.443%	16.028%	32.593%	51.722%
Tier I Capital Ratio	16.138%	17.234%	15.183%	15.959%	15.443%	16.028%	32.593%	51.722%
Total Capital Ratio	18.542%	19.826%	17.850%	18.836%	17.823%	18.580%	37.619%	58.499%
After proposed dividends								
Common Equity Tier I Capital Ratio	15.234%	16.440%	13.912%	14.843%	14.934%	15.477%	26.292%	45.285%
Tier I Capital Ratio	15.234%	16.441%	13.912%	14.843%	14.934%	15.477%	26.292%	45.285%
Total Capital Ratio	17.639%	19.032%	16.579%	17.720%	17.315%	18.029%	31.318%	52.062%

The above capital ratios are above the minimum level required by BNM.

3.0 CAPITAL MANAGEMENT (CONTINUED)

3.4 Minimum Capital Requirements and Risk-Weighted Assets (RWA)

The following table shows the breakdown of RWA by risk types as at 31 December 2025 and 31 December 2024:

Table 2: Risk-Weighted Assets (RWA) by Risk Types

Risk Types	RHB Bank Group		RHB Bank		RHB Islamic Bank		RHB Investment Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Credit RWA	145,451,209	133,334,491	103,460,978	94,440,104	44,828,821	38,636,523	1,207,748	676,141
Credit RWA Absorbed by PSIA	-	-	-	-	(6,345,660)	(3,236,571)	-	-
Market RWA	7,273,495	5,677,218	6,056,503	5,092,229	731,554	533,669	195,970	205,983
Operational RWA	16,286,928	14,795,927	10,592,565	9,833,938	3,558,325	3,534,619	786,399	718,125
Total RWA	169,011,632	153,807,636	120,110,046	109,366,271	42,773,040	39,468,240	2,190,117	1,600,249

The following tables show the breakdown of RWA by risk types and the corresponding capital requirement as at 31 December 2025 and 31 December 2024:

Table 3a: Risk-Weighted Assets by Risk Types and Minimum Capital Requirements as at 31 December 2025

Risk Types	RWA				Minimum Capital Requirements			
	RHB Bank Group RM'000	RHB Bank RM'000	RHB Islamic Bank RM'000	RHB Investment Bank RM'000	RHB Bank Group RM'000	RHB Bank RM'000	RHB Islamic Bank RM'000	RHB Investment Bank RM'000
Credit Risk, of which	145,451,209	103,460,978	38,483,161	1,207,748	11,636,097	8,276,878	3,078,653	96,620
Under Foundation Internal Ratings-Based (F-IRB) Approach	74,811,130	57,340,640	19,950,122	-	5,984,890	4,587,251	1,596,010	-
Under Advanced Internal Ratings-Based (A-IRB) Approach	35,903,195	20,794,230	16,744,086	-	2,872,256	1,663,538	1,339,527	-
Under Standardised Approach	34,317,414	25,308,531	8,134,613	805,855	2,745,393	2,024,683	650,769	64,468
Absorbed by PSIA under F-IRB Approach	-	-	(2,442,774)	-	-	-	(195,422)	-
Absorbed by PSIA under A-IRB Approach	-	-	(1,557,245)	-	-	-	(124,580)	-
Absorbed by PSIA under Standardised Approach	-	-	(2,345,641)	-	-	-	(187,651)	-
Exposures to Central Counterparties	419,470	17,577	-	401,893	33,558	1,406	-	32,152
Market Risk								
Under Standardised Approach	7,273,495	6,056,503	731,554	195,970	581,880	484,520	58,524	15,677
Operational Risk								
Under Standardised Approach	16,286,928	10,592,565	3,558,325	786,399	1,302,954	847,406	284,666	62,912
Total	169,011,632	120,110,046	42,773,040	2,190,117	13,520,931	9,608,804	3,421,843	175,209

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

3.0 CAPITAL MANAGEMENT (CONTINUED)

3.4 Minimum Capital Requirements and Risk-Weighted Assets (RWA) (continued)

Table 3b: Risk-Weighted Assets by Risk Types and Minimum Capital Requirements as at 31 December 2024

Risk Types	RWA				Minimum Capital Requirements			
	RHB Bank Group RM'000	RHB Bank RM'000	RHB Islamic Bank RM'000	RHB Investment Bank RM'000	RHB Bank Group RM'000	RHB Bank RM'000	RHB Islamic Bank RM'000	RHB Investment Bank RM'000
Credit Risk, of which	133,334,491	94,440,104	35,399,952	676,141	10,666,759	7,555,208	2,831,996	54,091
Under Foundation Internal Ratings-Based (F-IRB) Approach	66,098,143	50,169,961	16,983,068	-	5,287,851	4,013,597	1,358,645	-
Under Advanced Internal Ratings-Based (A-IRB) Approach	30,604,260	18,178,738	12,528,542	-	2,448,341	1,454,299	1,002,284	-
Under Standardised Approach	36,632,088	26,091,405	9,124,913	676,141	2,930,567	2,087,312	729,993	54,091
Absorbed by PSIA under F-IRB Approach	-	-	(1,024,127)	-	-	-	(81,930)	-
Absorbed by PSIA under A-IRB Approach	-	-	(22,648)	-	-	-	(1,812)	-
Absorbed by PSIA under Standardised Approach	-	-	(2,189,796)	-	-	-	(175,184)	-
Market Risk								
Under Standardised Approach	5,677,218	5,092,229	533,669	205,983	454,178	407,379	42,694	16,479
Operational Risk								
Under Basic Indicator Approach	14,795,927	9,833,938	3,534,619	718,125	1,183,674	786,715	282,769	57,450
Total	153,807,636	109,366,271	39,468,240	1,600,249	12,304,611	8,749,302	3,157,459	128,020

Capital requirement for the three risk types is derived by multiplying the risk-weighted assets by 8%.

The Credit RWA for RHB Bank Group increased mainly due to increase in General Corporate and IPRE exposures and Residential Mortgage portfolio.

4.0 CAPITAL STRUCTURE

The constituents of total eligible capital are set out in BNM's Guideline on Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components). These include shareholders' funds, after regulatory-related adjustments, and eligible capital instruments issued by the Group. Tier I capital consists primarily of share capital, retained profits and other reserves. Tier II capital consists of subordinated obligations, surplus eligible provisions over expected losses and general provisions. Refer to Note 54 in the Financial Statements for the details of these capital instruments.

The following table represents the capital position of RHB Bank Group and RHB Bank as at 31 December 2025 and 31 December 2024:

Table 4: Capital Structure

	RHB Bank Group		RHB Bank [®]	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Common Equity Tier I Capital/Tier I Capital				
Paid up ordinary share capital	8,701,097	8,687,255	8,701,097	8,687,255
Retained profits	22,001,930	20,754,636	16,195,835	15,135,470
Other reserves	453,395	821,206	465,010	650,696
Fair value through other comprehensive income (FVOCI) reserves	679,957	167,360	618,014	161,618
Less:				
Goodwill	(2,633,383)	(2,633,383)	(1,714,913)	(1,714,913)
Intangible assets (include associated deferred tax liabilities)	(656,893)	(685,462)	(608,775)	(629,234)
Deferred tax assets	(631,586)	(304,594)	(369,487)	(230,097)
55% of cumulative gains arising from change in value of FVOCI instruments	(373,976)	(92,048)	(339,908)	(88,890)
Investment in subsidiaries	(103,940)	(102,425)	(4,486,267)	(4,377,826)
Investments in associates and joint ventures	(64,675)	(74,535)	(144,800)	(110,800)
Other deductions [#]	(97,544)	(30,612)	(79,455)	(29,884)
Total Common Equity Tier I Capital	27,274,382	26,507,398	18,236,351	17,453,395
Qualifying non-controlling interests recognised as Tier I Capital	197	121	-	-
Total Tier I Capital	27,274,579	26,507,519	18,236,351	17,453,395
Tier II Capital				
Subordinated obligations meeting all relevant criteria	2,499,557	2,499,601	2,499,557	2,499,601
Qualifying capital instruments of a subsidiary issued to third parties ⁺	470,757	448,027	-	-
Surplus eligible provisions over expected losses	664,286	580,215	468,809	410,092
General provisions [^]	428,968	457,901	316,357	326,143
Less:				
Investment in capital instrument of unconsolidated financial and insurance/takaful entities	-	-	(81,166)	(89,387)
Total Tier II Capital	4,063,568	3,985,744	3,203,557	3,146,449
Total Capital	31,338,147	30,493,263	21,439,908	20,599,844

[®] The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank and its wholly-owned offshore banking subsidiary, RHB Bank (L) Ltd.

[#] Pursuant to Basel II Market Risk Para 5.19 & 5.20 - Valuation Adjustments, the Capital Adequacy Framework (Basel II - Risk-Weighted Assets) calculation shall account for the ageing, liquidity and holding back adjustments on its trading portfolio.

⁺ Qualifying subordinated sukuk that are recognised as Tier II capital instruments held by third parties as prescribed under paragraph 18.6 of the BNM's Guideline on Capital Adequacy Framework (Capital Components) which are issued by a fully consolidated subsidiary of the Bank.

[^] Pursuant to BNM's policy document on Financial Reporting and Financial Reporting for Islamic Banking Institutions, general provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under MFRS 9 Financial Instruments and regulatory reserves, to the extent they are ascribed to non-credit impaired exposures, determined under standardised approach for credit risk.

Includes the qualifying regulatory reserves of the Group and Bank of RM240,845,000 (31 December 2024: RM257,015,000) and RM205,491,000 (31 December 2024: RM184,391,000).

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

5.0 RISK MANAGEMENT

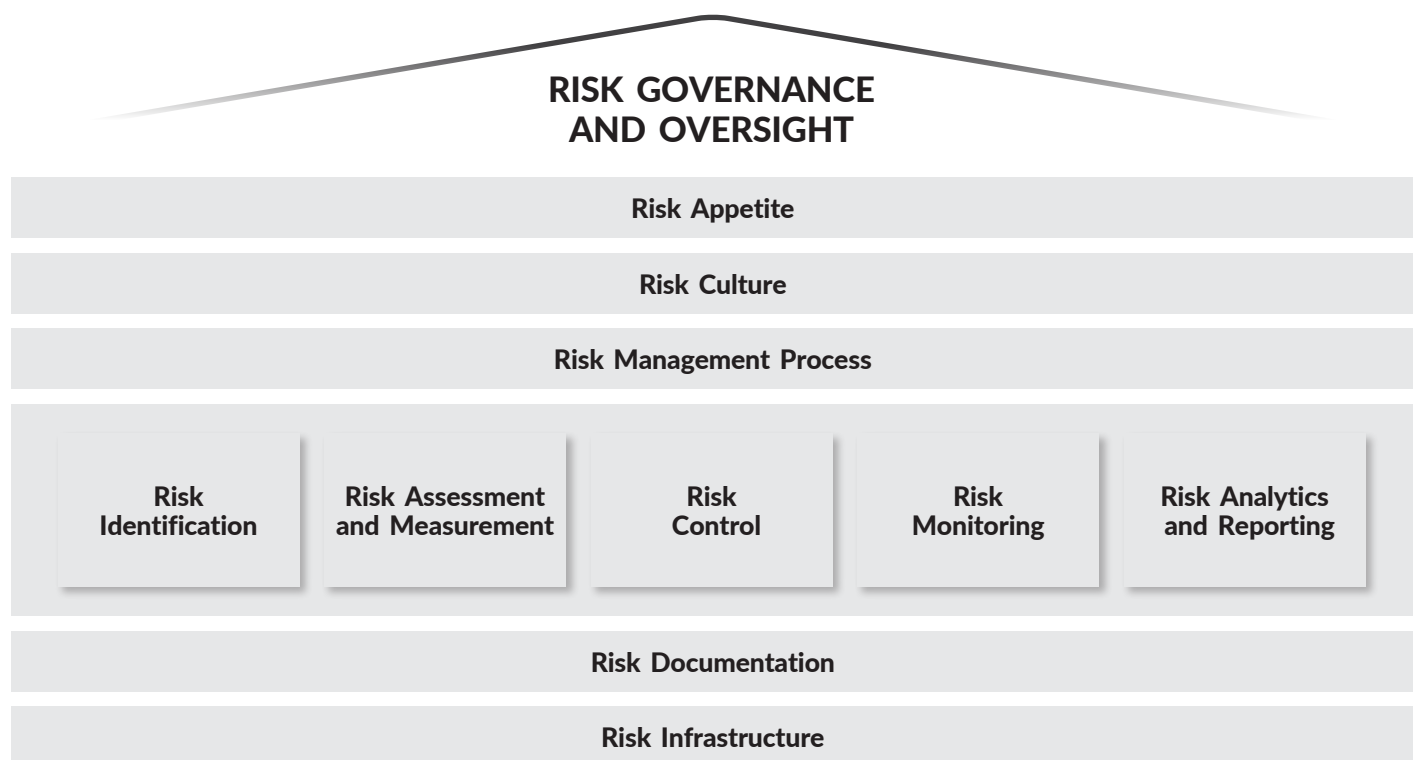
Risk is inherent in the Group's activities and is managed through a process of on-going identification, measurement and monitoring; subject to limits and other controls. In addition to credit risk, the Group is exposed to a range of other risk types such as market, liquidity, operational, legal, reputational, Shariah, strategic and cross-border, as well as other forms of risk inherent to its strategy, product range and geographical coverage.

Effective risk management is fundamental to drive sustainable growth and shareholders' value, while maintaining competitive advantage, and is thus a central part of the proactive risk management of the Group's operating environment.

The Group Risk Management Framework governs the management of risks in the Group, as follows:

- It provides a holistic overview of the risk and control environment of the Group, with risk management aimed towards loss minimisation and protection against unexpected losses which may occur through, principally, the failure of effective checks and balances in the organisation.
- It sets out the strategic progression of risk management towards becoming a value creation enterprise. This is realised through building up capabilities and infrastructure in risk management sophistication; and enhanced risk quantification to optimise risk-adjusted returns.

The Group Risk Management Framework is represented in the following diagram:



Key features of the framework are:

Risk Governance and Oversight

The Board of Directors sits at the apex of the risk governance structure and is ultimately responsible for the Group's/respective entities' risk management strategy, appetite, framework and oversight of risk management activities.

Group-level committees have been established to oversee the management of risks across all entities/subsidiaries on an integrated basis. These committees serve a critical function in setting strategic direction, establishing governance frameworks and promoting best practices. However, the Group maintains entity-specific committees to facilitate focused deliberation on entity specific issues e.g. the Board Risk Committee of RHB Islamic Bank Berhad, RHB Investment Bank Berhad and RHB Insurance Berhad. These BRCs report directly to their respective Board, provides oversight and assists in reviewing the Group's overall risk management philosophy, frameworks, policies and models, as well as risk issues relevant and unique to its business.

5.0 RISK MANAGEMENT (CONTINUED)

The responsibility for the supervision of the day-to-day management of enterprise risk and capital matters is delegated to the Group Capital and Risk Committee comprising the senior management of the Group and which reports to the relevant board committees and the Group Management Committee (GMC). The Investment Bank Risk Management Committee is responsible for oversight of risk management matters relating to RHB Investment Bank Group's business whilst the Group Asset and Liability Committee (Group ALCO) oversees market risk, liquidity risk and balance sheet management.

The Group Chief Risk Officer (GCRO) who reports directly to the Group Managing Director; is responsible for the risk management function. The main roles and responsibilities of GCRO are:

1. Facilitating the setting of the strategic direction and overall policy on management and control of risks of the Group;
2. Ensuring industry best practices in risk management are adopted across the Group, including the setting of risk management parameters and risk models;
3. Developing proactive, balanced and risk attuned culture within the Group; and
4. Advising senior management, management level committees, board level risk committees and Board of Directors of the Group's entities on risk issues and their possible impact on the Group in the achievement of its objectives and strategies.

GCRO is supported by the entities chief risk officers and various teams within risk management function:

1. The main function of entities' chief risk officers is to assess and manage the enterprise risk and liaise with regulators in the respective country/entity under their purviews. They are supported by their respective risk management teams with support from the risk management function from the Group.
2. The risk management function comprises of the teams who specialise in the respective risks and responsible for the active oversight of the Group-wide risk management function and support the respective entities/chief risk officers. Group Risk and Credit Management consists of Group Wholesale Banking Credit Management, Group Community Banking Credit Management, Enterprise Risk Management, Group Wholesale Credit Risk Management, Group Climate Risk Management, Group Community Banking Credit Risk Management, Group Market Risk Management, Group Asset and Liability Management, Group Non-Financial Risk Management, Group Technology and Cyber Risk Management, Group Shariah Risk Management, Risk Strategy & Transformation and Enterprise Risk Insights, Investment Banking and Regional Risk and Insurance Risk Management.

Risk Appetite

The Board of Directors sets the risk appetite and tolerance level that are consistent with the Group and each entity's overall business objectives and desired risk profile. It describes the types and level of risks the Group is prepared to accept in delivering its business strategies, and reported through various metrics that enable the Group to manage capital resources and shareholders' expectations.

The defined risk appetite and risk tolerance are periodically reviewed by the Management and the Board in line with the Group's business strategies and operating environment. Such review includes identifying and setting new risk appetite metrics for the business entity or removal of risk appetite metrics that are no longer applicable as well as updates on the risk appetite thresholds to be in line with the Group's business strategy and risk posture.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

5.0 RISK MANAGEMENT (CONTINUED)

Risk Culture

The Group subscribes to the principle of 'Risk and Compliance is Everyone's Responsibility' and risk management is managed via the 'three lines of defence' model. Business/functional units of the respective operating entities in the Group are collectively responsible for identifying, managing and reporting risk.

The approach is based on the 'three lines of defence' model as depicted below:

FIRST LINE Business/Functional Level	<ul style="list-style-type: none"> Responsible for managing day-to-day risks and compliance issues Business Risk and Compliance Officer/Business Risk Officer/Business Compliance Officer/ equivalent is to assist business/functional unit in day-to-day risks and compliance matters
SECOND LINE Group Risk & Credit Management & Group Compliance	<ul style="list-style-type: none"> Responsible for oversight, establishing governance and providing support to business/functional unit on risk and compliance matters
THIRD LINE Group Internal Audit	<ul style="list-style-type: none"> Provide independent assurance to the Board of Directors that risk and compliance management functions effectively as designed

RHB Group leverages on behavioural analytics and insights in our differentiated approach to cultivate the desired risk culture behaviours. In 2025, we further enhanced our support to the Business Risk and Compliance Officer (BRCO)s/Business Risk Officer (BRO)s/Business Compliance Officer (BCO)s via an expanded risk culture dashboard at the Group level, enabling near to real-time access to actionable insights for preventing and correcting undesirable behaviours. Additionally, the Group continued developing - Machine Learning based behavioural analytics models with early warning capabilities to strengthen oversight of the second Line of Defence and overlay existing controls at the first line of defence. These were complimented by targeted messaging via trainings, awareness campaigns, roadshows and tone from the top messaging via graphic illustrations to shape the desired risk culture behaviours.

Risk Management Process

The risk management process identifies, assesses and measures, controls, monitors and reports/analyses risk. This ensures that risk exposures are adequately managed and that the expected return compensates for the risk taken.

- Identification:** The identification and analysis of the existing and potential risks is a continuing process, in order to facilitate proactive and timely identification of risk within the Group's business operations, including emerging risks. This ensures that risks can be managed and controlled within the risk appetite of the Group and specific entity, where necessary.
- Assessment and Measurement:** Risks are measured, assessed and aggregated using comprehensive qualitative and quantitative risk measurement methodologies, and the process also serves as an important tool as it provides an assessment of capital adequacy and solvency.
- Controlling:** Risks identified during the risk identification process must be adequately managed and mitigated to control the risk of loss. This is also to ensure risk exposures are managed within the Group's or entity's risk appetite.
- Monitoring:** Effective monitoring processes ensures that the Group is aware of the condition of its exposures vis-à-vis its approved appetite and emerging risk trend to facilitate early identification of potential problems on a timely basis by using continuous and on-going monitoring of risk exposures and risk control/mitigation measures.
- Analytics and Reporting:** Risk analysis and reports are prepared by the respective entities and at a consolidated level as well as business level; and are regularly escalated to the senior management and relevant Boards of the Group's entities to ensure that the risks identified remain within the established appetite and to support an informed decision-making process. Reporting and analytics are also being continuously enhanced to provide the necessary information to relevant stakeholders within the Group to facilitate more effective decision making.

In addition, risk management seeks to ensure that risk decisions are consistent with strategic business objectives and within the risk appetite.

5.0 RISK MANAGEMENT (CONTINUED)

Risk Documentation

The Group recognises that effective implementation of the risk management system and process must be supported by a robust set of documentation and infrastructure. To this end, the Group has established frameworks, policies and other relevant control documents to ensure clearly defined practices and processes are implemented consistently across the Group. These documents are subject to a robust review process to ensure they remain current.

Risk Infrastructure

The Group has organised its resources and talents into specific functions, and invested in the technology, including data management to support the Group's risk management activities. Staff have clear roles and responsibilities, given access to relevant and up-to-date risk information, and the latitude to continuously enhance competency through learning and development programmes.

Risk systems and tools are designed to provide accessibility of risk information that complement the risk management process. The availability of data for analytics and monitoring, and dashboard and reporting assists in continuously enhancing risk management capabilities. The Group's Risk Management Report has evolved to be more analytically driven with dashboards that include elements of quantitative and qualitative forward looking projections.

Effective risk management requires the Group to continuously review its risk management capabilities to effectively manage risk and to improve risk management practices across the Group. Therefore, the Group has embarked on transformation journeys striving for improvements for better efficiency and effectiveness.

In line with the Group's PROGRESS 27 strategy, Group Risk & Credit Management has developed a comprehensive three-year strategic plan to strengthen resilience, improve agility, meet regulatory expectations, and support RHB's growth and cost optimisation initiatives.

6.0 CREDIT RISK

Credit Risk Definition

Credit risk is the risk of loss arising from customers' or counterparties' failure to fulfil their financial and contractual obligations in accordance to the agreed terms. It stems primarily from the Group's and the Bank's lending/financing, trade finance, placement, underwriting, investment, hedging and trading activities from both on- and off-balance sheet transactions. Credit risk does not typically happen in isolation as depending on certain risk events (e.g. fluctuation of interest rate, foreign exchange) presence of other risks may also arise.

6.1 Credit Risk Management Oversight and Organisation

Group Credit Committee (GCC)/Group Investment Underwriting Committee (GIUC) are the senior management committee empowered to (i) deliberate, approve or reject all financial investments, counterparty credit, lending/financing and stockbroking/equities/futures business related proposals up to the defined threshold limits, and (ii) direct, monitor, review and consider such issues as may materially impact on the present and future quality of the Group's loan/asset book.

The Board Credit Committee's (BCC) main functions are (i) affirming, vetoing or imposing more stringent conditions on credits of the Group which are duly approved by the GCC and/or GIUC, (ii) overseeing the management of impaired and high risk accounts, and (iii) approving credit transactions to connected parties up to the defined threshold limits. BCC also endorses policy loans/financing and loans/financing required by BNM to be referred to the respective members of the Boards for approval.

The Group Community Banking Credit Management and Group Wholesale Banking Credit Management have the functional responsibility to ensure that internal processes and credit underwriting standards are adhered to before financing proposals are approved. All financing proposals are firstly assessed for its credit worthiness by the originating business units before being evaluated by an independent credit manager and decided upon by the delegated lending/financing authority/relevant committees.

All financing exposure limits are approved within a defined credit approval authority framework.

The Group Community Banking Credit Risk Management and Group Wholesale Credit Risk Management have the functional responsibility for credit risk management, portfolio risk monitoring, risk reporting and development of credit policies and guidelines. The Group also conducts regular credit stress tests to assess the credit portfolio's vulnerability to adverse credit risk events.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.2 Credit Risk Management Approach

The Group's credit risk management framework is founded upon the circulars, policies and guidelines issued by BNM and any other relevant statutory bodies/host country regulators where RHB has footprint in. The Group abides by its Group Credit Policy which supports the development of a strong credit culture with the objective of maintaining a diversified portfolio, and a reliable and satisfactory risk-weighted return.

The Group's credit risk management process is documented in the Group Credit Guidelines (GCG) and the Group Credit Procedures Manual (GCPM) which set out the operational procedures and guidelines governing the credit processes within the Group.

Lending/Financing to Corporate and Institutional Customers

Loans/financing to corporate and institutional customers are individually evaluated and risk-rated. Credit underwriters identify and assess the credit risk of large corporate or institutional customers, or customer groups, taking into consideration their financial and business profiles, industry and economic factors, collateral, or other credit support.

Credit Risk from Investment or Trading Activities

In the course of its trading or investment activities, the Group is also exposed to credit risks from trading, derivative and debt securities activities. Relevant credit guidelines are established to govern the credit risk via guidance on derivatives, hedging and investment related activities of the different exposures.

Lending/Financing to Consumers and Small Businesses

For retail and small business' program lending/financing, credit risk is managed on a portfolio basis leveraging on internal credit rating models. For retail and small businesses, credit risk is assessed and extended based on a set of clearly defined credit risk acceptance criteria, regular post approval review and credit risk monitoring to enable rigorous risk assessment, objective decision making, cost efficient processing and effective portfolio management.

Lending/Financing to Share Margin Financing

Loans/financing to share margin clients are based on credit/financing facilities made available to these clients for trading or redemption of securities that are listed in Bursa Malaysia Berhad and Recognised Stock Exchange in accordance with the Rules of Bursa Malaysia Securities. Credit risk is mitigated through the establishment of appropriate approving authority structure/matrix for the extension of trading/credit limits and assessment performed on the borrower/customer and shares which will be taken as collateral. Within clearly defined guidelines approved by the Board and in line with applicable laws and regulations, credit risk management also encompasses the systematic credit assessment, close monitoring of limits, exposures and concentration risk to counterparties or issuer, through timely management reporting procedures.

Credit Risk Mitigation

The Group generally does not grant credit facilities solely on the basis of collateral provided. All credit facilities are granted based on the credit standing of the borrower/customer, source of repayment and debt/financing servicing ability. Collateral is taken whenever possible to mitigate the credit risk assumed, subject to the Group's policies that govern the eligibility of collateral used for credit risk mitigation. Reliance on collateral when taken is carefully assessed in the light of issues such as legal certainty and enforceability, market valuation and counterparty risk of the guarantor. Recognised collaterals where relevant, include both financial and physical assets. The Group also accepts non-tangible securities as credit support. Tables 16a, 16b, 17a and 17b show the credit risk mitigation of portfolios under the Standardised Approach and IRB Approach respectively as at 31 December 2025 compared with 31 December 2024.

The Group has an established mechanism to monitor credit and market concentration within its credit mitigation.

Credit Concentration Risk

Risk concentrations can materialise from excessive exposure to a single counterparty or group of connected counterparties, a particular instrument or a particular market segment. The Group manages the diversification of its portfolio to avoid undue credit concentration risk. To manage these concentration risks, appropriate exposure thresholds/limits are established accordingly.

6.0 CREDIT RISK (CONTINUED)

6.3 Credit Monitoring and Annual Reviews

The Group regularly monitors credit exposures, portfolio performance, and external trends which may impact risk management outcomes. Internal risk management reports generated for senior management, respective risk committees and Board, and include information on portfolio quality, credit rating migration and concentration risk exposures. Such reporting allows senior management to identify adverse credit trends, take prompt corrective actions, and ensure appropriate risk-adjusted decision making.

Reviews are conducted at least once a year with updated information on the customer's financial position, market position, industry and economic condition and account conduct. Specific loans/financings may be reviewed more frequently under appropriate circumstances.

Within Group Risk and Credit Management, there is a mechanism in place for credit monitoring to flagout problematic loans/financing (watch list accounts) for intensive monitoring under Watchlist Credit Management. These are accounts which may be exhibiting early distress patterns or in the early stages of delinquency but not yet in default. For these cases, Group Community Banking Watchlist Credit Management and Early Care & Reporting, Group Wholesale Banking Credit Management will conduct independent assessment and work closely with the business units to implement strategies to address lending/business relationships under Watchlist Credit Management to rehabilitate the accounts after discussion with the borrower/customer to determine the root cause of the problem which may result in rescheduling, restructuring or "exit" strategies to be applied. For the larger or selected accounts, regular position update meetings are held with business units to review or revise these strategies. The relevant guidelines are refined from time to time, to better identify, monitor and resolve such accounts.

Group Internal Audit conducts independent post-approval reviews on a sampling basis to ensure that the quality of credit appraisals and approval standards is in accordance with the credit underwriting standards and financing policies established by the Group's management, and relevant laws and regulations.

Credit Risk Measurement

Along with judgement and experience, risk measurement or quantification plays a critical role in making informed risk taking and portfolio management decisions. As the nature of credit risk varies by financing type, the Group applies different credit risk measuring tools, so that the credit risk of each financing type is appropriately reflected. These measurement tools are developed for the material credit exposures, which fall under the IRB Approach.

The following represents the dimensions considered in the credit risk measurement:

1.0 Probability of Default (PD)

Probability of default refers to likelihood that a borrower/customer is unable to meet its debt obligation. For corporate/non-retail financing, the probability of default is measured from obligor (or customer) rating obtained from the risk rating system to determine obligor's level of default risk. The risk rating of each obligor is regularly reviewed to ensure that it actually reflects the debtor's/customer's updated default risk. For retail exposures/financing, the default risk is measured via respective scoring model i.e. application scorecard, behavioural scorecard and customer centric scorecard.

2.0 Loss Given Default (LGD)

LGD is the amount of loss incurred when a borrower/customer defaults. For corporate financing, LGD is determined via the credit risk mitigation adjustment, in which the coverage of collateral and security will determine the level of LGD for a specific transaction. For retail financing, LGD is determined at respective segment (or pool) level.

3.0 Exposure at Default (EAD)

EAD is calculated from the current outstanding balance and availability of committed financing line. In this regard, the key factor is the Group's obligation related to the available financing line. For corporate financing, the EAD is measured at an individual obligor exposure as per BNM's Guideline on Capital Adequacy Framework (Basel II - Risk-Weighted Assets) and the Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets). For retail financing, the principle of credit risk measurement is similar, but measured on a pooled basis, based on internal models.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.4 Off-Balance Sheet Exposures and Counterparty Credit Risk (CCR)

The management of the following off-balance sheet exposures of the Group is in accordance to the credit risk management approach as set out under Section 6.2 of this document:

- Financial guarantees and standby letters of credit, which represent undertakings that the Group will make payments in the event that its customer cannot meet its obligations to third-parties. These exposures carry the same credit risk as loans/financing even though they are contingent in nature;
- Documentary and commercial letters of credit, which are undertakings by the Group on behalf of its customers. These exposures are usually collateralised by the underlying shipment of goods to which they relate;
- Commitments to extend financing, which includes the unutilised or undrawn portions of financing facilities;
- Unutilised credit card lines; and
- Credit equivalent amount of derivative financial instruments.

Counterparty Credit Risk

Counterparty Credit Risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows. An economic loss would occur if the transactions or portfolio of transactions with the counterparty has a positive economic value at the time of default. Unlike a firm's exposure to credit risk through a loan/financing, where the exposure to credit risk is unilateral and only the lending bank faces the risk of loss, CCR creates a bilateral risk of loss: the market value of the transaction can be positive or negative to either counterparty to the transaction. The market value is uncertain and can vary over time with the movement of underlying market factors.

Counterparty risk is typically associated with two broad classes of financial products:

- Over-the-counter derivatives such as interest rate/profit rate swaps, FX forwards and credit default swaps.
- Securities financing transactions such as repos and reverse repos; and securities borrowing and lending.

Derivative financial instruments are entered into for hedging or proprietary trading purposes governed by Board approved limits and internal controls.

Any financial loss is calculated based on the cost to replace the defaulted derivative financial instruments with another similar contract in the market. The cost of replacement is equivalent to the difference between the original value of the derivatives at the time of contract with the defaulted counterparty and the current fair value of a similar substitute at current market prices.

All outstanding financial derivative positions are marked-to-market on a daily basis. The Group monitors counterparties' positions and promptly escalates any shortfall in the threshold levels to the relevant parties for next course of action.

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches

The following tables show the credit exposures or Exposure at Default (EAD) as at 31 December 2025 compared with 31 December 2024, segregated by:

- the various types of asset classes, showing details of the exposures by type of approaches, before and after credit risk mitigation (CRM), the corresponding RWA and capital requirements;
- disclosure on off-balance sheet and counterparty credit risk;
- geographical distribution;
- industry sector; and
- residual maturity.

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 5a: Summary of Credit Exposures with Credit Risk Mitigation (CRM) by Asset Class and Minimum Capital Requirements (On and Off-Balance Sheet Exposures) as at 31 December 2025

RHB Bank Group	Gross Exposures/EAD Before CRM RM'000	Net Exposures/EAD After CRM RM'000	Risk-Weighted Assets RM'000	Minimum Capital Requirements RM'000
Exposures under Standardised Approach (SA)				
On-Balance Sheet Exposures				
Sovereigns & Central Banks	39,297,203	39,297,203	738,919	59,114
Public Sector Entities	13,505,521	13,504,921	222,984	17,839
Banks, Development Financial Institutions & MDBs	13,515,965	13,515,965	5,363,082	429,047
Insurance/Takaful Cos, Securities Firms & Fund Managers	720,221	720,221	637,586	51,007
Corporates	12,465,590	10,532,516	7,173,235	573,859
Regulatory Retail	11,972,465	11,023,646	9,750,546	780,043
Residential Mortgages/Financing	1,171,777	1,159,181	418,568	33,485
Higher Risk Assets	749,785	749,785	1,124,678	89,974
Other Assets	5,031,104	5,031,104	2,702,183	216,175
Equity Exposures	955,377	955,377	955,377	76,430
Defaulted Exposures	1,465,149	1,463,863	2,031,215	162,497
Total On-Balance Sheet Exposures	100,850,157	97,953,782	31,118,373	2,489,470
Off-Balance Sheet Exposures				
OTC Derivatives	3,910,848	3,258,920	994,293	79,543
Off-balance sheet exposures other than OTC derivatives or credit derivatives	15,429,863	9,429,916	2,201,253	176,100
Defaulted Exposures	16,590	16,176	3,495	280
Total Off-Balance Sheet Exposures	19,357,301	12,705,012	3,199,041	255,923
Total On and Off-Balance Sheet Exposures under SA	120,207,458	110,658,794	34,317,414	2,745,393
Exposures under F-IRB Approach				
On-Balance Sheet Exposures				
Corporates, of which	107,268,210	107,268,210	64,054,182	5,124,335
Corporate Exposures (excluding exposures with firm size adjustments)	56,608,587	56,608,587	32,179,410	2,574,353
Corporate Exposures (with firm size adjustments)	29,330,502	29,330,502	17,598,025	1,407,842
Specialised Lending Exposures (Slotting Approach)				
Project Finance	2,036,344	2,036,344	1,482,848	118,628
Income Producing Real Estate	19,292,777	19,292,777	12,793,899	1,023,512
Defaulted Exposures	1,793,784	1,793,784	112,435	8,995
Total On-Balance Sheet Exposures	109,061,994	109,061,994	64,166,617	5,133,330

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 5a: Summary of Credit Exposures with Credit Risk Mitigation (CRM) by Asset Class and Minimum Capital Requirements (On and Off-Balance Sheet Exposures) as at 31 December 2025 (continued)

RHB Bank Group	Gross Exposures/EAD Before CRM RM'000	Net Exposures/EAD After CRM RM'000	Risk-Weighted Assets RM'000	Minimum Capital Requirements RM'000
Exposure Class				
Off-Balance Sheet Exposures				
OTC Derivatives	366,254	366,254	338,816	27,105
Off-balance sheet exposures other than OTC derivatives or credit derivatives	10,441,275	10,441,275	6,071,105	485,688
Defaulted Exposures	2,042	2,042	-	-
Total Off-Balance Sheet Exposures	10,809,571	10,809,571	6,409,921	512,793
Exposures under A-IRB Approach				
On-Balance Sheet Exposures				
Retail, of which	135,744,895	135,744,895	26,250,956	2,100,077
Residential Mortgages/Financing Exposures	85,134,424	85,134,424	11,856,729	948,538
Qualifying Revolving Retail Exposures	2,803,927	2,803,927	1,478,098	118,248
Hire Purchase Exposures	12,769,992	12,769,992	3,929,547	314,364
Other Retail Exposures	35,036,552	35,036,552	8,986,582	718,927
Defaulted Exposures	3,829,650	3,829,650	5,100,994	408,079
Total On-Balance Sheet Exposures	139,574,545	139,574,545	31,351,950	2,508,156
Off-Balance Sheet Exposures				
OTC Derivatives	-	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	17,033,475	17,033,475	2,439,766	195,181
Defaulted Exposures	50,906	50,906	79,222	6,338
Total Off-Balance Sheet Exposures	17,084,381	17,084,381	2,518,988	201,519
Total On and Off-Balance Sheet Exposures before scaling factor under the IRB Approach	276,530,491	276,530,491	104,447,476	8,355,798
Total On and Off-Balance Sheet Exposures after scaling factor, 1.06 under the IRB Approach			110,714,325	8,857,146
Total (Exposures under the SA Approach and Exposures under the IRB Approach)	396,737,949	387,189,285	145,031,739	11,602,539

Note: This table excludes exposures to central counterparties

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 5b: Summary of Credit Exposures with Credit Risk Mitigation (CRM) by Asset Class and Minimum Capital Requirements (On and Off-Balance Sheet Exposures) as at 31 December 2024

RHB Bank Group	Gross Exposures/EAD Before CRM RM'000	Net Exposures/EAD After CRM RM'000	Risk-Weighted Assets RM'000	Minimum Capital Requirements RM'000
Exposure Class				
Exposures under Standardised Approach (SA)				
On-Balance Sheet Exposures				
Sovereigns & Central Banks	43,492,456	43,492,456	1,033,603	82,688
Public Sector Entities	13,175,536	13,172,936	90,893	7,271
Banks, Development Financial Institutions & MDBs	18,347,570	18,347,570	6,634,136	530,731
Insurance/Takaful Cos, Securities Firms & Fund Managers	550,843	550,843	485,696	38,856
Corporates	13,832,113	11,878,195	8,230,577	658,446
Regulatory Retail	12,893,888	11,895,256	10,515,514	841,241
Residential Mortgages/Financing	950,425	940,551	333,097	26,648
Higher Risk Assets	875,588	875,588	1,313,382	105,071
Other Assets	5,609,374	5,609,374	2,798,462	223,877
Equity Exposures	860,825	860,825	860,825	68,866
Defaulted Exposures	730,966	728,584	948,304	75,864
Total On-Balance Sheet Exposures	111,319,584	108,352,178	33,244,489	2,659,559
Off-Balance Sheet Exposures				
OTC Derivatives	4,316,537	3,903,826	1,037,781	83,022
Off-balance sheet exposures other than OTC derivatives or credit derivatives	20,990,986	11,163,140	2,345,599	187,648
Defaulted Exposures	17,332	17,020	4,219	338
Total Off-Balance Sheet Exposures	25,324,855	15,083,986	3,387,599	271,008
Total On and Off-Balance Sheet Exposures under SA	136,644,439	123,436,164	36,632,088	2,930,567
Exposures under F-IRB Approach				
On-Balance Sheet Exposures				
Corporates, of which	96,544,898	96,544,898	55,907,172	4,472,574
Corporate Exposures (excluding exposures with firm size adjustments)	48,827,817	48,827,817	26,715,440	2,137,235
Corporate Exposures (with firm size adjustments)	28,335,502	28,335,502	16,284,552	1,302,765
Specialised Lending Exposures (Slotting Approach)				
Project Finance	2,156,613	2,156,613	1,406,290	112,503
Income Producing Real Estate	17,224,966	17,224,966	11,500,890	920,071
Defaulted Exposures	2,317,142	2,317,142	131,761	10,541
Total On-Balance Sheet Exposures	98,862,040	98,862,040	56,038,933	4,483,115

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 5b: Summary of Credit Exposures with Credit Risk Mitigation (CRM) by Asset Class and Minimum Capital Requirements (On and Off-Balance Sheet Exposures) as at 31 December 2024 (continued)

RHB Bank Group	Gross Exposures/EAD Before CRM RM'000	Net Exposures/EAD After CRM RM'000	Risk-Weighted Assets RM'000	Minimum Capital Requirements RM'000
Off-Balance Sheet Exposures				
OTC Derivatives	505,712	505,712	500,196	40,016
Off-balance sheet exposures other than OTC derivatives or credit derivatives	10,726,078	10,726,078	5,815,691	465,255
Defaulted Exposures	9,102	9,102	1,919	153
Total Off-Balance Sheet Exposures	11,240,892	11,240,892	6,317,806	505,424
Exposures under A-IRB Approach				
On-Balance Sheet Exposures				
Retail, of which	127,683,124	127,683,124	24,596,832	1,967,747
Residential Mortgages/Financing Exposures	78,286,935	78,286,935	11,146,168	891,694
Qualifying Revolving Retail Exposures	2,487,392	2,487,392	1,344,165	107,533
Hire Purchase Exposures	11,696,672	11,696,672	3,619,306	289,545
Other Retail Exposures	35,212,125	35,212,125	8,487,193	678,975
Defaulted Exposures	3,128,370	3,128,370	1,711,526	136,922
Total On-Balance Sheet Exposures	130,811,494	130,811,494	26,308,358	2,104,669
Off-Balance Sheet Exposures				
OTC Derivatives	-	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	16,824,417	16,824,417	2,485,705	198,856
Defaulted Exposures	53,717	53,717	77,880	6,231
Total Off-Balance Sheet Exposures	16,878,134	16,878,134	2,563,585	205,087
Total On and Off-Balance Sheet Exposures before scaling factor under the IRB Approach	257,792,560	257,792,560	91,228,682	7,298,295
Total On and Off-Balance Sheet Exposures after scaling factor, 1.06 under the IRB Approach			96,702,403	7,736,192
Total (Exposures under the SA Approach and Exposures under the IRB Approach)	394,436,999	381,228,724	133,334,491	10,666,759

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 6a: Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation) as at 31 December 2025

RHB Bank Group	Principal/ Notional Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
Nature of Item				
Direct credit substitutes	1,751,364		1,676,439	846,903
Transaction related contingent items	2,891,579		1,385,826	715,928
Short term self liquidating trade related contingencies	1,248,200		258,103	208,419
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-		-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo style transactions	12,521,806		12,521,806	104,892
Foreign exchange related contracts	22,592,009	164,675	582,146	277,686
1 year or less	21,166,073	143,007	423,583	165,645
Over 1 year to 5 years	1,297,071	16,851	131,839	106,696
Over 5 years	128,865	4,817	26,724	5,345
Interest/profit rate related contracts	36,224,931	164,088	793,516	315,532
1 year or less	12,555,942	54,444	77,053	38,286
Over 1 year to 5 years	22,789,889	98,059	654,793	259,360
Over 5 years	879,100	11,585	61,670	17,886
Equity related contracts	1,070,628	96,026	127,989	98,030
1 year or less	1,030,949	94,500	123,322	97,096
Over 1 year to 5 years	39,679	1,526	4,667	934
Over 5 years	-	-	-	-
Commodity contracts	708,405	7,537	21,640	6,363
1 year or less	385,969	7,537	21,640	6,363
Over 1 year to 5 years	322,436	-	-	-
Over 5 years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	176,035,528	629,218	2,751,868	635,584
Other commitments, such as formal standby facilities and credit/financing lines, with original maturity of over 1 year	35,365,350		25,944,653	8,700,804
Other commitments, such as formal standby facilities and credit/financing lines, with original maturity of up to 1 year	1,842,994		493,571	98,118
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	19,386,532		693,696	119,692
Total	311,639,326	1,061,544	47,251,253	12,127,951

Note: This table excludes exposures to central counterparties

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 6b: Exposures on Off-Balance Sheet and Counterparty Credit Risk (Before Credit Risk Mitigation) as at 31 December 2024

RHB Bank Group	Principal/ Notional Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk- Weighted Assets RM'000
Nature of Item				
Direct credit substitutes	1,933,161		1,850,740	930,496
Transaction related contingent items	2,541,957		1,205,635	607,576
Short term self liquidating trade related contingencies	1,161,256		241,235	175,048
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	488,912		488,912	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo style transactions	17,067,854		17,067,854	185,401
Foreign exchange related contracts	21,465,686	489,773	786,712	312,135
1 year or less	20,959,646	471,984	723,442	244,630
Over 1 year to 5 years	506,040	17,789	63,270	67,505
Over 5 years	-	-	-	-
Interest/profit rate related contracts	8,664,633	39,919	225,933	102,366
1 year or less	1,306,044	703	2,374	781
Over 1 year to 5 years	7,129,201	38,780	211,654	97,913
Over 5 years	229,388	436	11,905	3,672
Equity related contracts	716,806	60,848	99,470	14,936
1 year or less	682,206	60,175	97,768	14,598
Over 1 year to 5 years	34,600	673	1,702	338
Over 5 years	-	-	-	-
Commodity contracts	482,975	13,531	34,597	8,959
1 year or less	117,182	2,969	7,475	1,495
Over 1 year to 5 years	365,793	10,562	27,122	7,464
Over 5 years	-	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	301,342,647	638,800	3,675,537	1,099,581
Other commitments, such as formal standby facilities and credit/financing lines, with original maturity of over 1 year	35,946,040		26,568,705	8,563,392
Other commitments, such as formal standby facilities and credit/financing lines, with original maturity of up to 1 year	2,163,351		512,084	144,108
Any commitments that are unconditionally cancellable at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	19,084,318		686,467	124,992
Total	413,059,596	1,242,871	53,443,881	12,268,990

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 7a: Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution as at 31 December 2025

RHB Bank Group	Malaysia (Include Labuan)	Singapore	Thailand	Brunei	Cambodia	Lao	Hong Kong	Indonesia	Total
Exposure Class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Exposures under Standardised Approach									
Sovereigns & Central Banks	35,408,423	6,555,275	1,104,501	82,139	438,008	146,955	-	-	43,735,301
Public Sector Entities	14,593,993	566,801	184,251	-	-	-	-	-	15,345,045
Banks, Development Financial Institutions & MDBs	16,281,770	5,506,741	208,170	302,171	98,810	28,228	-	31,592	22,457,482
Insurance/Takaful Cos, Securities Firms & Fund Managers	754,926	56,494	-	-	-	-	-	2,757	814,177
Corporates	10,058,721	3,662,293	1,076,332	117,759	1,678,831	53,678	-	91,512	16,739,126
Regulatory Retail	8,073,432	3,927,111	153	36,240	968,050	13,888	-	84,983	13,103,857
Residential Mortgages/Financing	154,008	1,036,820	-	47,604	-	-	-	-	1,238,432
Higher Risk Assets	785,630	-	-	-	101	-	-	1,826	787,557
Other Assets	4,165,273	438,707	159,354	22,924	134,339	5,984	-	104,523	5,031,104
Total Exposures under Standardised Approach	90,276,176	21,750,242	2,732,761	608,837	3,318,139	248,733	-	317,193	119,252,081
Exposures under IRB Approach									
Corporates, of which	93,844,441	26,027,124	-	-	-	-	-	-	119,871,565
Corporate Exposures (excluding exposures with firm size adjustments)	52,196,008	9,248,406	-	-	-	-	-	-	61,444,414
Corporate Exposures (with firm size adjustments)	29,321,542	5,560,340	-	-	-	-	-	-	34,881,882
Specialised Lending Exposures (Slotting Approach)									
Project Finance	1,636,152	738,103	-	-	-	-	-	-	2,374,255
Income Producing Real Estate	10,690,739	10,480,275	-	-	-	-	-	-	21,171,014
Retail, of which	156,658,926	-	-	-	-	-	-	-	156,658,926
Residential Mortgages/Financing Exposures	90,967,537	-	-	-	-	-	-	-	90,967,537
Qualifying Revolving Retail Exposures	5,077,709	-	-	-	-	-	-	-	5,077,709
Hire Purchase Exposures	12,829,094	-	-	-	-	-	-	-	12,829,094
Other Retail Exposures	47,784,586	-	-	-	-	-	-	-	47,784,586
Total Exposures under IRB Approach	250,503,367	26,027,124	-	-	-	-	-	-	276,530,491
Total Exposures under Standardised and IRB Approaches	340,779,543	47,777,366	2,732,761	608,837	3,318,139	248,733	-	317,193	395,782,572

Note: This table excludes equity exposures and exposures to central counterparties

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 7b: Credit Risk Exposures (Before Credit Risk Mitigation) by Geographical Distribution as at 31 December 2024

RHB Bank Group	Malaysia (Include Labuan)	Singapore	Thailand	Brunei	Cambodia	Lao	Hong Kong	Indonesia	Total
Exposure Class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Exposures under Standardised Approach									
Sovereigns & Central Banks	38,654,718	9,372,310	935,146	97,780	582,036	170,178	-	-	49,812,168
Public Sector Entities	14,364,888	493,179	241,898	-	-	-	-	-	15,099,965
Banks, Development Financial Institutions & MDBs	21,691,203	9,197,999	98,494	218,647	314,813	8,334	678	34,720	31,564,888
Insurance/Takaful Cos, Securities Firms & Fund Managers	630,069	75	-	-	-	-	-	11,108	641,252
Corporates	9,468,483	3,891,231	1,395,678	116,773	2,096,102	64,264	-	154,914	17,187,445
Regulatory Retail	8,797,945	3,803,902	-	86,097	1,180,726	19,387	-	94,803	13,982,860
Residential Mortgages/Financing	96,679	912,993	-	401	-	-	-	-	1,010,073
Higher Risk Assets	873,394	-	-	-	112	-	-	2,082	875,588
Other Assets	4,603,331	544,220	169,689	33,679	178,938	12,268	124	67,125	5,609,374
Total Exposures under Standardised Approach	99,180,710	28,215,909	2,840,905	553,377	4,352,727	274,431	802	364,752	135,783,613
Exposures under IRB Approach									
Corporates, of which	86,326,227	23,776,705	-	-	-	-	-	-	110,102,932
Corporate Exposures (excluding exposures with firm size adjustments)	47,635,708	7,634,638	-	-	-	-	-	-	55,270,346
Corporate Exposures (with firm size adjustments)	26,755,201	6,661,893	-	-	-	-	-	-	33,417,094
Specialised Lending Exposures (Slotting Approach)									
Project Finance	2,302,839	162,759	-	-	-	-	-	-	2,465,598
Income Producing Real Estate	9,632,479	9,317,415	-	-	-	-	-	-	18,949,894
Retail, of which	147,689,628	-	-	-	-	-	-	-	147,689,628
Residential Mortgages/Financing Exposures	83,529,969	-	-	-	-	-	-	-	83,529,969
Qualifying Revolving Retail Exposures	4,483,559	-	-	-	-	-	-	-	4,483,559
Hire Purchase Exposures	11,755,560	-	-	-	-	-	-	-	11,755,560
Other Retail Exposures	47,920,540	-	-	-	-	-	-	-	47,920,540
Total Exposures under IRB Approach	234,015,855	23,776,705	-	-	-	-	-	-	257,792,560
Total Exposures under Standardised and IRB Approaches	333,196,565	51,992,614	2,840,905	553,377	4,352,727	274,431	802	364,752	393,576,173

Note: This table excludes equity exposures

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 8a: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 31 December 2025

RHB Bank Group	Agriculture	Mining & Quarrying	Manufacturing	Electricity, Gas & Water Supply	Construction	Wholesale, Retail Trade, Restaurants & Hotels	Transport, Storage & Communication	Finance, Insurance/ Takaful, Real Estate & Business	Education, Health & Others	Household	Others	Total
Exposure Class	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Exposures under Standardised Approach												
Sovereigns & Central Banks	-	-	-	-	-	-	-	7,654,152	36,081,149	-	-	43,735,301
Public Sector Entities	1,262,109	-	-	-	-	-	3,504	2,435	14,076,997	-	-	15,345,045
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	22,457,482	-	-	-	22,457,482
Insurance/Takaful Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	814,177	-	-	-	814,177
Corporates	31,960	10,126	522,124	296,773	437,738	1,107,707	457,397	11,403,439	96,887	2,374,975	-	16,739,126
Regulatory Retail	7,922	7,136	75,500	7,033	57,473	206,385	33,093	65,068	9,739	12,634,508	-	13,103,857
Residential Mortgages/ Financing	-	-	-	-	-	-	-	-	-	1,238,432	-	1,238,432
Higher Risk Assets	-	37,771	-	-	-	-	-	749,249	-	537	-	787,557
Other Assets	-	-	-	-	-	-	-	5,871	-	-	5,025,233	5,031,104
Total Exposures under Standardised Approach	1,301,991	55,033	597,624	303,806	495,211	1,314,092	493,994	43,151,873	50,264,772	16,248,452	5,025,233	119,252,081
Exposures under IRB Approach												
Corporates, of which	3,635,691	723,351	11,829,817	4,463,167	18,999,757	16,550,547	8,710,477	50,296,329	4,659,833	2,596	-	119,871,565
Corporate Exposures (excluding exposures with firm size adjustments)	1,979,923	558,527	7,802,748	3,883,537	7,682,541	5,251,352	5,666,608	25,026,569	3,592,609	-	-	61,444,414
Corporate Exposures (with firm size adjustments)	1,655,768	164,824	4,027,069	294,600	5,618,197	8,177,775	2,041,429	11,965,005	934,619	2,596	-	34,881,882
Specialised Lending Exposures (Slotting Approach)	-	-	-	264,175	134,562	-	1,002,440	973,078	-	-	-	2,374,255
Project Finance	-	-	-	20,855	5,564,457	3,121,420	-	12,331,677	132,605	-	-	21,171,014
Income Producing Real Estate	578,709	112,779	2,794,785	160,916	1,798,679	8,180,429	1,333,202	3,419,261	499,318	137,780,527	321	156,658,926
Retail, of which	578,709	112,779	2,794,785	160,916	1,798,679	8,180,429	1,333,202	3,419,261	499,318	137,780,527	321	156,658,926
Residential Mortgages/ Financing Exposures	-	-	-	-	-	-	-	-	-	90,967,537	-	90,967,537
Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	5,077,709	-	5,077,709
Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	12,829,094	-	12,829,094
Other Retail Exposures	578,709	112,779	2,794,785	160,916	1,798,679	8,180,429	1,333,202	3,419,261	499,318	28,906,187	321	47,784,586
Total Exposures under IRB Approach	4,214,400	836,130	14,624,602	4,624,083	20,798,436	24,730,976	10,043,679	53,715,590	5,159,151	137,783,123	321	276,530,491
Total Exposures under Standardised and IRB Approaches	5,516,391	891,163	15,222,226	4,927,889	21,293,647	26,045,068	10,537,673	96,867,463	55,423,923	154,031,575	5,025,554	395,782,572

Note: This table excludes equity exposures and exposures to central counterparties

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 8b: Credit Risk Exposures (Before Credit Risk Mitigation) by Industry Sector as at 31 December 2024

Exposure Class	Agriculture RM'000	Mining & Quarrying RM'000	Manufacturing RM'000	Electricity, Gas & Water Supply RM'000	Construction RM'000	Wholesale, Retail Trade, Restaurants & Hotels RM'000	Transport, Storage & Communication RM'000	Finance, Insurance/ Takaful, Real Estate & Business RM'000	Education, Health & Others RM'000	Household RM'000	Others RM'000	Total RM'000
RHB Bank Group												
Exposures under Standardised Approach												
Sovereigns & Central Banks	-	-	-	-	-	-	-	13,740,347	36,071,821	-	-	49,812,168
Public Sector Entities	1,296,419	-	-	-	-	-	3,504	153,886	13,646,156	-	-	15,099,965
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	31,564,888	-	-	-	31,564,888
Insurance/Takaful Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	641,252	-	-	-	641,252
Corporates	79,961	5,725	616,794	92,765	533,872	1,010,375	570,450	11,296,829	410,280	2,570,394	-	17,187,445
Regulatory Retail	6,312	2,400	68,175	6,560	75,960	185,014	36,641	72,674	14,998	13,514,126	-	13,982,860
Residential Mortgages/ Financing	-	-	-	-	-	-	-	-	-	1,010,073	-	1,010,073
Higher Risk Assets	-	-	-	-	-	-	-	875,469	-	119	-	875,588
Other Assets	-	-	-	-	-	-	-	297,695	-	-	5,311,679	5,609,374
Total Exposures under Standardised Approach	1,382,692	8,125	684,969	99,325	609,832	1,195,389	610,595	58,643,040	50,143,255	17,094,712	5,311,679	135,783,613
Exposures under IRB Approach												
Corporates, of which	3,966,013	1,215,531	11,664,654	3,369,067	20,363,762	16,720,929	8,443,174	37,000,266	7,359,536	-	-	110,102,932
Corporate Exposures (excluding exposures with firm size adjustments)	2,375,640	998,825	6,826,302	2,635,465	7,852,320	5,143,915	5,626,144	17,344,560	6,467,175	-	-	55,270,346
Corporate Exposures (with firm size adjustments)	1,590,373	187,297	4,173,982	597,465	5,418,907	8,116,956	2,817,030	9,771,231	743,853	-	-	33,417,094
Specialised Lending Exposures (Slotting Approach)	-	-	-	-	-	-	-	-	-	-	-	-
Project Finance	-	29,409	664,370	108,910	1,281,747	-	-	232,654	148,508	-	-	2,465,598
Income Producing Real Estate	-	-	-	27,227	5,810,788	3,460,058	-	9,651,821	-	-	-	18,949,894
Retail, of which	542,090	105,164	2,835,276	146,519	1,915,333	8,611,178	1,415,137	3,684,774	484,546	127,949,290	321	147,689,628
Residential Mortgages/ Financing Exposures	-	-	-	-	-	-	-	-	-	83,529,969	-	83,529,969
Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	4,483,559	-	4,483,559
Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	11,755,560	-	11,755,560
Other Retail Exposures	542,090	105,164	2,835,276	146,519	1,915,333	8,611,178	1,415,137	3,684,774	484,546	28,180,202	321	47,920,540
Total Exposures under IRB Approach	4,508,103	1,320,695	14,499,930	3,515,586	22,279,095	25,332,107	9,858,311	40,685,040	7,844,082	127,949,290	321	257,792,560
Total Exposures under Standardised and IRB Approaches	5,890,795	1,328,820	15,184,899	3,614,911	22,888,927	26,527,496	10,468,906	99,328,080	57,987,337	145,044,002	5,312,000	393,576,173

Note: This table excludes equity exposures

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 9a: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 31 December 2025

RHB Bank Group	One Year or Less RM'000	More Than One to Five Years RM'000	Over Five Years RM'000	Total RM'000
Exposure Class				
Exposures under Standardised Approach				
Sovereigns & Central Banks	10,216,200	11,837,639	21,681,462	43,735,301
Public Sector Entities	2,259,686	7,386,372	5,698,987	15,345,045
Banks, Development Financial Institutions & MDBs	11,505,874	6,269,618	4,681,990	22,457,482
Insurance/Takaful Cos, Securities Firms & Fund Managers	62,595	328,399	423,183	814,177
Corporates	7,954,314	5,925,984	2,858,828	16,739,126
Regulatory Retail	2,001,304	1,317,248	9,785,305	13,103,857
Residential Mortgages/Financing	3,908	18,891	1,215,633	1,238,432
Higher Risk Assets	1,826	-	785,731	787,557
Other Assets	2,726,436	-	2,304,668	5,031,104
Total Exposures under Standardised Approach	36,732,143	33,084,151	49,435,787	119,252,081
Exposures under IRB Approach				
Corporates, of which	36,936,515	39,186,760	43,748,290	119,871,565
Corporate Exposures (excluding exposures with firm size adjustments)	19,734,535	19,580,965	22,128,914	61,444,414
Corporate Exposures (with firm size adjustments)	12,722,478	8,016,169	14,143,235	34,881,882
Specialised Lending Exposures (Slotting Approach)				
Project Finance	1,059,211	947,004	368,040	2,374,255
Income Producing Real Estate	3,420,291	10,642,622	7,108,101	21,171,014
Retail, of which	6,339,573	14,868,822	135,450,531	156,658,926
Residential Mortgages/Financing Exposures	97,708	414,692	90,455,137	90,967,537
Qualifying Revolving Retail Exposures	592,770	4,362,961	121,978	5,077,709
Hire Purchase Exposures	59,143	3,249,624	9,520,327	12,829,094
Other Retail Exposures	5,589,952	6,841,545	35,353,089	47,784,586
Total Exposures under IRB Approach	43,276,088	54,055,582	179,198,821	276,530,491
Total Exposures under Standardised and IRB Approaches	80,008,231	87,139,733	228,634,608	395,782,572

Note: This table excludes equity exposures and exposures to central counterparties

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Table 9b: Credit Risk Exposures (Before Credit Risk Mitigation) by Remaining Maturity as at 31 December 2024

RHB Bank Group	One Year or Less RM'000	More Than One to Five Years RM'000	Over Five Years RM'000	Total RM'000
Exposures under Standardised Approach				
Sovereigns & Central Banks	15,510,116	12,469,613	21,832,439	49,812,168
Public Sector Entities	1,871,518	4,675,061	8,553,386	15,099,965
Banks, Development Financial Institutions & MDBs	20,296,329	8,168,337	3,100,222	31,564,888
Insurance/Takaful Cos, Securities Firms & Fund Managers	109,559	237,373	294,320	641,252
Corporates	6,775,616	7,352,079	3,059,750	17,187,445
Regulatory Retail	2,199,092	1,671,121	10,112,647	13,982,860
Residential Mortgages/Financing	217	15,171	994,685	1,010,073
Higher Risk Assets	2,083	-	873,505	875,588
Other Assets	3,206,875	-	2,402,499	5,609,374
Total Exposures under Standardised Approach	49,971,405	34,588,755	51,223,453	135,783,613
Exposures under IRB Approach				
Corporates, of which	34,391,809	39,806,485	35,904,638	110,102,932
Corporate Exposures (excluding exposures with firm size adjustments)	18,176,339	21,110,313	15,983,694	55,270,346
Corporate Exposures (with firm size adjustments)	12,288,399	7,901,073	13,227,622	33,417,094
Specialised Lending Exposures (Slotting Approach)				
Project Finance	1,180,218	911,534	373,846	2,465,598
Income Producing Real Estate	2,746,853	9,883,565	6,319,476	18,949,894
Retail, of which	6,443,945	13,940,468	127,305,215	147,689,628
Residential Mortgages/Financing Exposures	106,305	414,405	83,009,259	83,529,969
Qualifying Revolving Retail Exposures	418,666	4,037,373	27,520	4,483,559
Hire Purchase Exposures	49,024	2,890,052	8,816,484	11,755,560
Other Retail Exposures	5,869,950	6,598,638	35,451,952	47,920,540
Total Exposures under IRB Approach	40,835,754	53,746,953	163,209,853	257,792,560
Total Exposures under Standardised and IRB Approaches	90,807,159	88,335,708	214,433,306	393,576,173

Note: This table excludes equity exposures

6.0 CREDIT RISK (CONTINUED)

6.5 Credit Exposures and Risk-Weighted Assets by Portfolio and Approaches (continued)

Standardised Approach for Other Portfolios

The Standardised Approach is applied to portfolios that are classified as permanently exempted from the IRB approach, and portfolios that are currently in transition to the IRB approach. Under this Standardised Approach, the risk weights are prescribed by BNM based on the asset class to which the exposure is assigned.

The following tables show RHB Bank Group's credit exposures for its portfolio with the corresponding risk weights and RWA under the Standardised Approach, after credit risk mitigation (CRM):

Table 10a: Portfolios under the Standardised Approach by Risk Weights as at 31 December 2025

RHB Bank Group Exposure Class	Sovereigns & Central Banks	Public Sector Entities	Banks, Development Financial Institutions & MDBs	Insurance/ Takaful Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages/ Financing	Higher Risk Assets	Other Assets	Equity Exposures	Total Exposures After Credit Risk Mitigation	Total Risk- Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Supervisory Risk Weights (%)												
0%	42,708,882	13,866,840	150,925	2,757	1,488,303	36,593	-	-	2,324,224	-	60,578,524	-
20%	336,437	1,414,564	8,437,536	33,969	3,514,519	50	-	-	5,871	-	13,742,946	2,748,589
35%	-	-	-	-	-	-	1,122,722	-	-	-	1,122,722	392,953
50%	169,046	-	6,928,074	105,406	373,994	4,415	86,606	-	-	-	7,667,541	3,833,770
75%	-	-	-	-	-	5,247,397	-	-	-	-	5,247,397	3,935,548
100%	373,982	-	1,163,425	605,589	7,989,964	6,282,365	14,174	-	2,701,009	955,377	20,085,885	20,085,885
150%	146,954	-	22,956	-	928,782	327,530	-	787,557	-	-	2,213,779	3,320,669
Total Exposures	43,735,301	15,281,404	16,702,916	747,721	14,295,562	11,898,350	1,223,502	787,557	5,031,104	955,377	110,658,794	34,317,414

Table 10b: Portfolios under the Standardised Approach by Risk Weights as at 31 December 2024

RHB Bank Group Exposure Class	Sovereigns & Central Banks	Public Sector Entities	Banks, Development Financial Institutions & MDBs	Insurance/ Takaful Cos, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages/ Financing	Higher Risk Assets	Other Assets	Equity Exposures	Total Exposures After Credit Risk Mitigation	Total Risk- Weighted Assets
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Supervisory Risk Weights (%)												
0%	47,954,741	14,643,892	174,791	11,108	1,219,147	-	-	-	2,572,756	-	66,576,435	-
20%	858,082	393,655	13,908,192	34,403	3,756,668	130,557	-	-	297,695	-	19,379,252	3,875,850
35%	-	-	-	-	-	-	955,945	-	-	-	955,945	334,581
50%	256,051	-	6,548,336	53,033	260,236	17,680	27,977	-	-	-	7,163,313	3,581,657
75%	-	-	-	-	-	5,436,921	-	-	-	-	5,436,921	4,077,691
100%	573,116	58,826	1,610,296	531,110	9,008,408	6,853,428	13,343	-	2,738,923	860,826	22,248,276	22,248,276
150%	170,178	-	7,826	-	445,419	177,011	-	875,588	-	-	1,676,022	2,514,033
Total Exposures	49,812,168	15,096,373	22,249,441	629,654	14,689,878	12,615,597	997,265	875,588	5,609,374	860,826	123,436,164	36,632,088

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.6 Use of External Ratings

For sovereigns, corporate and banking institutions, external ratings from approved external credit assessment institutions (ECAIs) are used to calculate the risk-weighted assets and regulatory capital, where available.

The process used to map ECAIs issuer ratings or comparable ECAIs issue ratings, are in accordance to the standards prescribed by BNM. Approved ECAIs are as follows:

- Standard & Poor's (S&P);
- Moody's Investor Services (Moody's);
- Fitch Ratings (Fitch);
- Malaysian Rating Corporation Berhad (MARC);
- Rating Agency Malaysia (RAM); and
- Rating and Investment Information, Inc (R&I).

External ratings for the counterparties are determined as soon as the relationship is established and these ratings are tracked and kept updated. Only publicly available credit ratings are used for regulatory risk weighting purpose.

The following tables show the Group's credit exposures for 31 December 2025 compared with 31 December 2024, according to the ratings by ECAIs:

Table 11a: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 31 December 2025

RHB Bank Group

Ratings of Corporates by Approved ECAIs	Moody's S&P Fitch RAM MARC R&I	Aaa to Aa3 AAA to AA- AAA to AA3 AAA to AA- AAA to AA- RM'000	A1 to A3 A+ to A- A+ to A- A1 to A3 A+ to A- A+ to A- RM'000	Baa1 to Baa3 BBB+ to BB- BBB+ to BB- BBB1 to BBB3 BBB+ to BB- BBB+ to BB- RM'000	B1 to C B+ to D B+ to D B to D B1 to D B+ to D RM'000	Unrated Unrated Unrated Unrated Unrated Unrated RM'000	
On and Off-Balance Sheet Exposures							
Public Sector Entities		569,301	-	-	-	14,712,103	
Insurance/Takaful Cos, Securities Firms & Fund Managers		33,969	105,406	106,812	-	501,534	
Corporates		3,451,827	211,729	-	-	10,632,006	
Ratings of Sovereigns and Central Banks by Approved ECAIs							
Ratings of Sovereigns and Central Banks by Approved ECAIs	Moody's S&P Fitch R&I	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA- RM'000	A1 to A3 A+ to A- A+ to A- A+ to A- RM'000	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB+ to BBB- BBB+ to BBB- RM'000	Ba1 to B3 BB+ to B- BB+ to B- BB+ to B- BB+ to B- RM'000	Caa1 to C CCC+ to D CCC+ to D CCC+ to C RM'000	Unrated Unrated Unrated Unrated RM'000
On and Off-Balance Sheet Exposures							
Sovereigns & Central Banks		6,596,822	35,219,592	1,272,501	438,008	146,955 61,423	
Ratings of Banking Institutions by Approved ECAIs							
Ratings of Banking Institutions by Approved ECAIs	Moody's S&P Fitch RAM MARC R&I	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA- AAA to AA- RM'000	A1 to A3 A+ to A- A+ to A- A1 to A3 A+ to A- A+ to A- RM'000	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB1 to BBB3 BBB+ to BBB- BBB+ to BBB- RM'000	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B- BB+ to B- RM'000	Caa1 to C CCC+ to D CCC+ to D C1 to D C+ to D CCC+ to C RM'000	Unrated Unrated Unrated Unrated Unrated Unrated RM'000
On and Off-Balance Sheet Exposures							
Banks, Development Financial Institutions & MDBs		7,035,819	4,675,282	2,382,414	541,784	- 2,067,617	

6.0 CREDIT RISK (CONTINUED)

6.6 Use of External Ratings (continued)

Table 11b: Rated Exposures According to Ratings by External Credit Assessment Institutions (ECAIs) as at 31 December 2024

RHB Bank Group

Ratings of Corporates by Approved ECAIs	Moody's S&P	Aaa to Aa3 AAA to AA-	A1 to A3 A+ to A-	Baa1 to Baa3 BBB+ to BB-	B1 to C B+ to D	Unrated	
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
	RAM	AAA to AA3	A1 to A3	BBB1 to BB3	B to D	Unrated	
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B1 to D	Unrated	
	R&I	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated	
Exposure Class		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and Off-Balance Sheet Exposures							
Public Sector Entities		493,179	-	-	-	14,603,194	
Insurance/Takaful Cos, Securities Firms & Fund Managers		34,403	53,033	-	-	542,218	
Corporates		3,690,836	82,881	-	-	10,916,161	
Ratings of Sovereigns and Central Banks by Approved ECAIs							
	Moody's S&P	Aaa to Aa3 AAA to AA-	A1 to A3 A+ to A-	Baa1 to Baa3 BBB+ to BBB-	Ba1 to B3 BB+ to B-	Caa1 to C CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
Exposure Class		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and Off-Balance Sheet Exposures							
Sovereigns & Central Banks		8,993,865	38,803,208	1,190,502	582,036	170,178	72,379
Ratings of Banking Institutions by Approved ECAIs							
	Moody's S&P	Aaa to Aa3 AAA to AA-	A1 to A3 A+ to A-	Baa1 to Baa3 BBB+ to BBB-	Ba1 to B3 BB+ to B-	Caa1 to C CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A1 to A3	BBB1 to BBB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
	R&I	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to C	Unrated
Exposure Class		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
On and Off-Balance Sheet Exposures							
Banks, Development Financial Institutions & MDBs		9,975,289	6,816,667	2,256,994	939,138	-	2,261,353

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

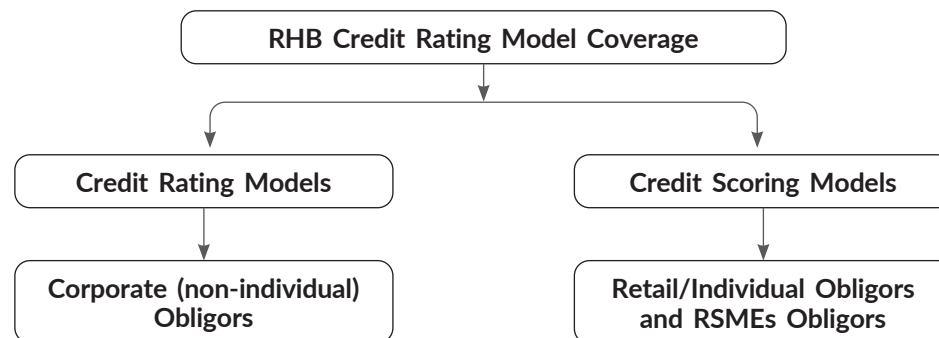
6.7 Internal Credit Rating Models

Internal credit rating models are an integral part of the Group's credit risk management, decision-making process, and regulatory capital calculations. These internal credit rating models are developed by Enterprise Risk Management with active participation by the relevant credit experts from the Group's functional units and/or business units. Group Risk Modelling also continuously explores other techniques or methodologies to enhance the model development process such as implementation of artificial intelligence or machine learning.

Internal rating model development, validation and implementation process have been established to govern the development and validation of rating models and the application of these models. Specifically, all newly developed models prior to implementation, material changes of the rating systems and validation results must be endorsed by GCRC and approved by BRC. All models are also subject to independent validation by Model Risk Management before implementation to ensure that all aspects of the model development process have been satisfied. In addition, the models are also subject to annual validation by Model Risk Management to ensure that all models are performing as expected.

Credit risk/rating models can be broadly classified into:

- Credit Rating Models
- Credit Scoring Models



The credit rating models for corporate (or non-individual) obligors are used to risk rate the creditworthiness of the corporate obligors/guarantors/debt issuers based on their financial standing (such as gearing, expenses and profit) and qualitative aspects (such as management effectiveness and industry environment). Different rating models will be applied subject to the obligor's asset and sales volume to create further risk differentiation.

The credit scoring models are for large volume of exposures that are managed on a portfolio basis, which includes program lending/financing for small and medium-sized enterprises (SMEs). These models are developed through statistical modelling and applied onto the portfolio accordingly. For portfolios where data are readily available or when more granular segmentation is required to support business strategy, more models will be developed and deployed.

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Application of Internal Ratings

The three components of risk parameters, i.e. the PD, LGD and EAD are used in variety of applications that measure credit risk across the entire portfolio.

- Credit Approval : PD models are used in the credit approval process in both retail and non-retail portfolios. In high volume retail portfolios, application scorecard, behaviour scorecard and customer centric scorecard are used as one of the risk management tools.
- Policy : Policies are established to govern the use of ratings in credit decisions and monitoring.
- Reporting : Model performance monitoring report is submitted to senior management on periodic basis.
- Capital Management : The capital management and allocation plan takes into consideration the projected RWA computed based on internal rating.
- Risk Limits : The internal ratings are used in establishing the Group's various internal limits (such as industry risk limit).
- Risk Reward and Pricing : PD, EAD and LGD metrics are used to assess profitability of deals to allow for risk-informed pricing considerations and strategic decisions.

F-IRB for Non-Retail Portfolios

The major non-retail portfolios of the Group are on the Foundation Internal Ratings-Based (F-IRB) approach for regulatory capital requirements. Specialised lending/financing uses supervisory slotting criteria. Under this approach, internal rating models are used to estimate the PD for each obligor, while the LGD and EAD parameters are prescribed by BNM. The PD models are developed with a combination of quantitative and qualitative factors.

A-IRB for Retail Portfolios

For regulatory capital requirements, the Group has adopted the Advanced Internal Ratings-Based (A-IRB) approach for the retail portfolios, i.e. residential mortgages/home financing, credit cards, auto loans/financing, commercial property financing, personal financing, ASB financing and RSMEs. The Group is continuously working on migrating its relevant significant portfolio under the Standardised Approach towards IRB compliance. The risk estimates – PD, LGD and EAD; are calibrated for these retail portfolios/pools. In addition, application scorecard, behavioural scorecard and customer centric scorecard are developed and implemented for use in credit approval decision support such as limit setting, credit score cut-off and approval, monitoring and reporting.

The following tables set out:

- Exposures subject to the Supervisory Risk Weights;
- Exposures under the IRB Approach by PD Band, Exposure Weighted Average Loss Given Default (LGD) and Exposure Weighted Average Risk Weights;
- Exposures under the A-IRB Approach by EL Range and Exposure Weighted Average Risk Weights; and
- Exposures under IRB Approach by Actual Losses versus Expected Losses.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Table 12a: Exposures Subject to the Supervisory Risk Weights under the IRB Approach as at 31 December 2025

RHB Bank Group	Exposure After Credit Risk Mitigation					
	Strong RM'000	Good RM'000	Satisfactory RM'000	Weak RM'000	Default RM'000	Total RM'000
Supervisory Categories						
Specialised Lending Exposures						
Project Finance	9,942	2,074,596	49,000	-	69,284	2,202,822
Income Producing Real Estate	6,321,955	9,811,183	411,417	242,738	105,420	16,892,713
Total Exposures After Credit Risk Mitigation	6,331,897	11,885,779	460,417	242,738	174,704	19,095,535
Total Risk-Weighted Assets	3,436,979	8,961,208	529,480	606,844	-	13,534,511

Table 12b: Exposures Subject to the Supervisory Risk Weights under the IRB Approach as at 31 December 2024

RHB Bank Group	Exposure After Credit Risk Mitigation					
	Strong RM'000	Good RM'000	Satisfactory RM'000	Weak RM'000	Default RM'000	Total RM'000
Supervisory Categories						
Specialised Lending Exposures						
Project Finance	57,651	1,768,557	646	-	56,792	1,883,646
Income Producing Real Estate	4,257,667	10,235,185	554,956	6,475	88,610	15,142,893
Total Exposures After Credit Risk Mitigation	4,315,318	12,003,742	555,602	6,475	145,402	17,026,539
Total Risk-Weighted Assets	2,380,439	9,026,853	638,942	16,187	-	12,062,421

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Table 13a: Exposures under the IRB Approach by PD Band, Exposure Weighted Average Loss Given Default (LGD) and Exposure Weighted Average Risk Weights as at 31 December 2025

RHB Bank Group	Exposure At Default After Credit Risk Mitigation RM'000	Exposure Weighted Average LGD %	Exposure Weighted Average Risk Weights %	Undrawn Commitments RM'000
Probability of Default (PD) Range (%)				
Non Retail Exposures				
Corporate Exposures (excluding exposures with firm size adjustments)				
0 to 1	49,725,364	37.47	47.40	8,464,326
>1 to 4	11,502,696	30.34	75.92	2,256,482
>4 to 12	3,061,180	23.87	88.23	2,834,832
>12 to <100	864,503	40.86	220.26	240,991
Default or 100	740,406	44.01	1.69	-
Total Corporate Exposures (excluding exposures with firm size adjustments)	65,894,149			13,796,631
Corporate Exposures (with firm size adjustments)				
0 to 1	19,212,883	36.91	41.87	7,388,243
>1 to 4	9,628,442	35.99	75.73	2,513,025
>4 to 12	3,498,762	35.00	104.58	912,929
>12 to <100	1,661,078	14.35	61.90	600,754
Default or 100	880,716	39.59	11.35	-
Total Corporate Exposures (with firm size adjustments)	34,881,881			11,414,951
Total Non Retail Exposures	100,776,030			25,211,582
Retail Exposures				
Residential Mortgages/Financing Exposures				
0 to 3	84,425,108	16.69	10.28	4,419,487
>3 to 10	2,435,775	16.63	48.80	99,508
>10 to 20	555,583	16.59	79.41	938
>20 to <100	2,243,214	16.64	89.00	5,323
Default or 100	1,307,857	16.63	83.53	11,095
Total Residential Mortgages/Financing Exposures	90,967,537			4,536,351

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Table 13a: Exposures under the IRB Approach by PD Band, Exposure Weighted Average Loss Given Default (LGD) and Exposure Weighted Average Risk Weights as at 31 December 2025 (continued)

RHB Bank Group	Exposure At Default After Credit Risk Mitigation RM'000	Exposure Weighted Average LGD %	Exposure Weighted Average Risk Weights %	Undrawn Commitments RM'000
Probability of Default (PD) Range (%)				
Retail Exposures (continued)				
Qualifying Revolving Retail Exposures				
0 to 3	3,283,984	59.56	23.06	5,649,605
>3 to 10	1,342,935	57.84	67.73	578,139
>10 to 20	244,479	54.13	114.03	66,095
>20 to <100	109,269	54.61	156.08	24,579
Default or 100	97,042	49.08	437.77	-
Total Qualifying Revolving Retail Exposures	5,077,709			6,318,418
Hire Purchase Exposures				
0 to 3	12,267,446	44.13	28.49	-
>3 to 10	253,266	45.76	72.65	-
>10 to 20	205,834	44.95	99.72	-
>20 to <100	43,446	45.08	105.42	-
Default or 100	59,102	45.36	63.20	-
Total Hire Purchase Exposures	12,829,094			-
Other Retail Exposures				
0 to 3	35,109,007	19.57	15.37	11,456,742
>3 to 10	7,821,426	27.05	40.81	220,810
>10 to 20	1,006,999	34.18	65.07	25,901
>20 to <100	1,430,599	32.21	76.54	41,640
Default or 100	2,416,555	30.31	150.03	21,666
Total Other Retail Exposures	47,784,586			11,766,759
Total Retail Exposures	156,658,926			22,621,528
Total Non Retail & Retail Exposures under IRB Approach	257,434,956			47,833,110

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Table 13b: Exposures under the IRB Approach by PD Band, Exposure Weighted Average Loss Given Default (LGD) and Exposure Weighted Average Risk Weights as at 31 December 2024

RHB Bank Group	Exposure At Default After Credit Risk Mitigation RM'000	Exposure Weighted Average LGD %	Exposure Weighted Average Risk Weights %	Undrawn Commitments RM'000
Probability of Default (PD) Range (%)				
Non Retail Exposures				
Corporate Exposures (excluding exposures with firm size adjustments)				
0 to 1	40,797,250	41.31	51.49	8,648,112
>1 to 4	9,332,840	30.16	74.43	2,412,769
>4 to 12	7,814,401	10.51	36.27	2,831,804
>12 to <100	460,737	41.75	222.28	150,791
Default or 100	1,254,071	43.97	2.10	-
Total Corporate Exposures (excluding exposures with firm size adjustments)	59,659,299			14,043,476
Corporate Exposures (with firm size adjustments)				
0 to 1	19,521,042	37.21	42.49	7,086,657
>1 to 4	8,201,433	33.28	69.71	2,265,638
>4 to 12	2,929,165	36.26	108.91	924,270
>12 to <100	1,838,683	14.68	62.38	497,383
Default or 100	926,771	38.58	11.58	-
Total Corporate Exposures (with firm size adjustments)	33,417,094			10,773,948
Total Non Retail Exposures	93,076,393			24,817,424
Retail Exposures				
Residential Mortgages/Financing Exposures				
0 to 3	77,412,302	16.66	10.47	4,019,848
>3 to 10	2,313,760	16.62	48.95	107,553
>10 to 20	575,150	16.58	79.35	1,025
>20 to <100	2,118,790	16.63	88.56	4,641
Default or 100	1,109,967	16.52	64.28	12,100
Total Residential Mortgages/Financing Exposures	83,529,969			4,145,167

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Table 13b: Exposures under the IRB Approach by PD Band, Exposure Weighted Average Loss Given Default (LGD) and Exposure Weighted Average Risk Weights as at 31 December 2024 (continued)

RHB Bank Group	Exposure At Default After Credit Risk Mitigation RM'000	Exposure Weighted Average LGD %	Exposure Weighted Average Risk Weights %	Undrawn Commitments RM'000
Probability of Default (PD) Range (%)				
Retail Exposures (continued)				
Qualifying Revolving Retail Exposures				
0 to 3	2,828,411	59.54	22.97	4,910,867
>3 to 10	1,221,951	57.78	68.04	512,779
>10 to 20	245,306	54.71	116.04	73,953
>20 to <100	97,303	54.49	155.18	20,928
Default or 100	90,588	48.66	138.63	-
Total Qualifying Revolving Retail Exposures	4,483,559			5,518,527
Hire Purchase Exposures				
0 to 3	11,241,519	44.06	28.67	-
>3 to 10	224,725	45.88	72.85	-
>10 to 20	190,470	45.08	100.00	-
>20 to <100	39,958	45.39	106.12	-
Default or 100	58,888	45.69	41.06	-
Total Hire Purchase Exposures	11,755,560			-
Other Retail Exposures				
0 to 3	37,078,171	20.58	16.63	11,938,150
>3 to 10	6,540,818	23.37	34.60	205,786
>10 to 20	1,084,855	33.02	60.89	26,498
>20 to <100	1,294,052	28.59	68.64	47,043
Default or 100	1,922,644	31.32	48.17	26,398
Total Other Retail Exposures	47,920,540			12,243,875
Total Retail Exposures	147,689,628			21,907,569
Total Non Retail & Retail Exposures under IRB Approach	240,766,021			46,724,993

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Table 14a: Exposures under the A-IRB Approach by EL Range and Exposure Weighted Average Risk Weights as at 31 December 2025

RHB Bank Group	Exposure At Default After Credit Risk Mitigation RM'000	Exposure Weighted Average Risk Weights %	Undrawn Commitments RM'000
Expected Losses (EL) Range (%)			
Retail Exposures			
Residential Mortgages/Financing Exposures			
0 to 1	87,274,768	12.40	4,525,702
>1 to 10	2,580,338	90.67	10,195
>10 to <100	1,030,348	23.32	450
100	82,083	0.00	4
Total Residential Mortgages/Financing Exposures	90,967,537		4,536,351
Qualifying Revolving Retail Exposures			
0 to 1	3,030,869	35.08	5,361,694
>1 to 10	1,902,853	68.13	928,218
>10 to <100	143,987	125.83	28,506
100	-	0.00	-
Total Qualifying Revolving Retail Exposures	5,077,709		6,318,418
Hire Purchase Exposures			
0 to 1	12,021,298	28.06	-
>1 to 10	711,836	76.95	-
>10 to <100	85,604	53.69	-
100	10,356	0.00	-
Total Hire Purchase Exposures	12,829,094		-
Other Retail Exposures			
0 to 1	40,229,442	23.06	11,626,309
>1 to 10	5,256,706	72.54	111,890
>10 to <100	1,778,056	49.25	27,831
100	520,382	0.00	729
Total Other Retail Exposures	47,784,586		11,766,759
Total Retail Exposures	156,658,926		22,621,528

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Table 14b: Exposures under the A-IRB Approach by EL Range and Exposure Weighted Average Risk Weights as at 31 December 2024

RHB Bank Group	Exposure At Default After Credit Risk Mitigation RM'000	Exposure Weighted Average Risk Weights %	Undrawn Commitments RM'000
Expected Losses (EL) Range (%)			
Retail Exposures			
Residential Mortgages/Financing Exposures			
0 to 1	79,773,369	11.78	4,134,819
>1 to 10	2,709,607	97.94	9,858
>10 to <100	964,178	23.85	448
100	82,815	0.00	42
Total Residential Mortgages/Financing Exposures	83,529,969		4,145,167
Qualifying Revolving Retail Exposures			
0 to 1	2,550,487	21.46	4,660,671
>1 to 10	1,735,477	69.38	831,947
>10 to <100	197,593	147.20	25,909
100	2	0.00	-
Total Qualifying Revolving Retail Exposures	4,483,559		5,518,527
Hire Purchase Exposures			
0 to 1	11,005,034	27.94	-
>1 to 10	651,702	77.05	-
>10 to <100	91,728	72.44	-
100	7,096	0.00	-
Total Hire Purchase Exposures	11,755,560		-
Other Retail Exposures			
0 to 1	41,124,834	16.02	12,077,877
>1 to 10	4,409,339	70.62	129,774
>10 to <100	1,924,041	62.52	35,839
100	462,326	0.00	385
Total Other Retail Exposures	47,920,540		12,243,875
Total Retail Exposures	147,689,628		21,907,569

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Table 15: Exposures under IRB Approach by Actual Losses versus Expected Losses

RHB Bank Group	Actual Losses as at 31 December 2025 RM'000	Expected Losses as at 31 December 2024 RM'000	Actual Losses as at 31 December 2024 RM'000	Expected Losses as at 31 December 2023 RM'000
Exposure Class				
Corporates, of which				
Corporate Exposures (excluding exposures with firm size adjustments)	4,106	209,802	7,166	214,055
Corporate Exposures (with firm size adjustments)	19,708	231,228	28,896	206,255
Specialised Lending Exposures (Slotting Approach)				
Project Finance	-	8,936	9,603	8,173
Income Producing Real Estate	-	72,094	198	63,773
Retail, of which				
Residential Mortgages/Financing Exposures	92,209	209,222	89,180	196,646
Qualifying Revolving Retail Exposures	38,673	87,190	41,966	80,261
Hire Purchase Exposures	36,636	61,956	34,270	57,990
Other Retail Exposures	244,046	331,459	314,883	346,027
Total	435,378	1,211,887	526,162	1,173,180

Actual losses are derived from impairment allowances and write-offs during the year, while expected losses (EL) measures the loss expected from the Group's credit exposures as at 31 December of the preceding year.

A comparison of actual losses and EL provides some insight of the predictive power of the IRB approach models used by the Group; however the two metrics are not directly comparable due to the differences in methodology. In particular, the EL used in this comparison is the forecast credit loss from the counterparty defaults of the Group's exposures over a one-year period and is computed as the product of PD, LGD and EAD for the Group's exposures as at 31 December of the preceding year.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

The following tables show the credit risk mitigation of portfolios under the Standardised Approach and IRB Approach respectively as at 31 December 2025 compared with 31 December 2024:

Table 16a: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 31 December 2025

RHB Bank Group	Gross Exposures Before Credit Risk Mitigation RM'000	Gross Exposures Covered by Guarantees/ Credit Derivatives RM'000	Gross Exposures Covered by Eligible Financial Collateral RM'000
Exposure Class			
On-Balance Sheet Exposures			
Sovereigns & Central Banks	39,297,203	-	-
Public Sector Entities	13,505,521	11,823,201	600
Banks, Development Financial Institutions & MDBs	13,515,965	150,925	-
Insurance/Takaful Cos, Securities Firms & Fund Managers	720,221	-	-
Corporates	12,465,590	627,430	1,933,074
Regulatory Retail	11,972,465	32,493	948,819
Residential Mortgages/Financing	1,171,777	-	12,596
Higher Risk Assets	749,785	-	-
Other Assets	5,031,104	-	-
Equity Exposures	955,377	-	-
Defaulted Exposures	1,465,149	4,100	1,286
Total On-Balance Sheet Exposures	100,850,157	12,638,149	2,896,375
Off-Balance Sheet Exposures			
OTC Derivatives	3,910,848	-	651,928
Off-balance sheet exposures other than OTC derivatives or credit derivatives	15,429,863	2,459,689	5,999,947
Defaulted Exposures	16,590	15,668	414
Total Off-Balance Sheet Exposures	19,357,301	2,475,357	6,652,289
Total On and Off-Balance Sheet Exposures	120,207,458	15,113,506	9,548,664

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Table 16b: Credit Risk Mitigation of Portfolios under the Standardised Approach as at 31 December 2024

RHB Bank Group	Gross Exposures Before Credit Risk Mitigation RM'000	Gross Exposures Covered by Guarantees/ Credit Derivatives RM'000	Gross Exposures Covered by Eligible Financial Collateral RM'000
Exposure Class			
On-Balance Sheet Exposures			
Sovereigns & Central Banks	43,492,456	-	-
Public Sector Entities	13,175,536	12,503,703	2,600
Banks, Development Financial Institutions & MDBs	18,347,570	174,791	-
Insurance/Takaful Cos, Securities Firms & Fund Managers	550,843	-	-
Corporates	13,832,113	856,302	1,953,918
Regulatory Retail	12,893,888	115,450	998,632
Residential Mortgages/Financing	950,425	-	9,874
Higher Risk Assets	875,588	-	-
Other Assets	5,609,374	-	-
Equity Exposures	860,825	-	-
Defaulted Exposures	730,966	15,022	2,382
Total On-Balance Sheet Exposures	111,319,584	13,665,268	2,967,406
Off-Balance Sheet Exposures			
OTC Derivatives	4,316,537	-	412,711
Off-balance sheet exposures other than OTC derivatives or credit derivatives	20,990,986	2,209,798	9,827,846
Defaulted Exposures	17,332	15,918	312
Total Off-Balance Sheet Exposures	25,324,855	2,225,716	10,240,869
Total On and Off-Balance Sheet Exposures	136,644,439	15,890,984	13,208,275

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Table 17a: Credit Risk Mitigation of Portfolios under the IRB Approach as at 31 December 2025

RHB Bank Group	Gross Exposures Before Credit Risk Mitigation RM'000	Gross Exposures Covered by Guarantees/ Credit Derivatives RM'000	Gross Exposures Covered by Eligible Financial Collateral RM'000	Gross Exposures Covered by Other Eligible Collateral RM'000
Exposure Class				
On-Balance Sheet Exposures				
Corporates, of which	107,268,210	28,024,548	3,405,706	18,105,513
Corporate Exposures (excluding exposures with firm size adjustments)	56,608,587	20,849,855	722,277	5,766,817
Corporate Exposures (with firm size adjustments)	29,330,502	3,305,031	2,683,429	12,338,696
Specialised Lending Exposures (Slotting Approach)				
Project Finance	2,036,344	144,892	-	-
Income Producing Real Estate	19,292,777	3,724,770	-	-
Retail, of which	135,744,895	92,451	6,247,055	96,826,365
Residential Mortgages/Financing Exposures	85,134,424	-	-	84,944,515
Qualifying Revolving Retail Exposures	2,803,927	-	-	-
Hire Purchase Exposures	12,769,992	-	-	-
Other Retail Exposures	35,036,552	92,451	6,247,055	11,881,850
Defaulted Exposures	5,623,434	215,894	7,695	2,044,270
Total On-Balance Sheet Exposures	248,636,539	28,332,893	9,660,456	116,976,148
Off-Balance Sheet Exposures				
OTC Derivatives	366,254	-	283	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	27,474,750	2,089,541	872,396	13,803,501
Defaulted Exposures	52,948	-	162	29,773
Total Off-Balance Sheet Exposures	27,893,952	2,089,541	872,841	13,833,274
Total On and Off-Balance Sheet Exposures	276,530,491	30,422,434	10,533,297	130,809,422

6.0 CREDIT RISK (CONTINUED)

6.7 Internal Credit Rating Models (continued)

Table 17b: Credit Risk Mitigation of Portfolios under the IRB Approach as at 31 December 2024

RHB Bank Group	Gross Exposures Before Credit Risk Mitigation RM'000	Gross Exposures Covered by Guarantees/ Credit Derivatives RM'000	Gross Exposures Covered by Eligible Financial Collateral RM'000	Gross Exposures Covered by Other Eligible Collateral RM'000
Exposure Class				
On-Balance Sheet Exposures				
Corporates, of which	96,544,898	25,762,308	3,445,328	18,221,292
Corporate Exposures (excluding exposures with firm size adjustments)	48,827,817	18,892,072	685,006	5,522,400
Corporate Exposures (with firm size adjustments)	28,335,502	3,010,928	2,760,322	12,698,892
Specialised Lending Exposures (Slotting Approach)				
Project Finance	2,156,613	531,882	-	-
Income Producing Real Estate	17,224,966	3,327,426	-	-
Retail, of which	127,683,124	132,483	5,943,340	91,010,299
Residential Mortgages/Financing Exposures	78,286,935	-	-	78,116,602
Qualifying Revolving Retail Exposures	2,487,392	-	-	-
Hire Purchase Exposures	11,696,672	-	-	-
Other Retail Exposures	35,212,125	132,483	5,943,340	12,893,697
Defaulted Exposures	5,445,512	244,325	15,550	1,861,175
Total On-Balance Sheet Exposures	229,673,534	26,139,116	9,404,218	111,092,766
Off-Balance Sheet Exposures				
OTC Derivatives	505,712	-	2,553	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	27,550,495	2,138,791	806,775	13,749,188
Defaulted Exposures	62,819	3,878	2,130	34,684
Total Off-Balance Sheet Exposures	28,119,026	2,142,669	811,458	13,783,872
Total On and Off-Balance Sheet Exposures	257,792,560	28,281,785	10,215,676	124,876,638

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.8 Impairment Allowances for Loans/Financing

The Group adopts BNM's guidelines on Financial Reporting. The principles in these guidelines are in line with the Malaysian Financial Reporting Standards 9 (MFRS 9), which is in compliance with the International Financial Reporting Standards framework.

MFRS 9 impairment model requires the recognition of expected credit loss (ECL) for all financial assets, except for financial assets classified or designated as Fair Value Through Profit & Loss or FVTPL and equity securities classified under Fair Value through Other Comprehensive Income or FVOCI, which are not subject to impairment assessment. Off-balance sheet items that are subject to ECL include financial guarantees and undrawn loan commitments.

MFRS 9 does not distinguish between individual assessment and collective assessment. The Group first assess whether objective evidence of impairment exists for financial assets which are individually significant. If the Group determine that objective evidence of impairment exists, i.e. credit impaired, for an individually assessed financial asset, a lifetime ECL will be recognised for impairment loss which has been incurred. Financial assets which are individually significant but non-impaired and not individually significant are grouped on the basis of similar credit risk characteristics (such as credit quality, instrument type, credit risk ratings, credit utilisation, level of collateralisation and other relevant factors) for collective assessment. Collectively, the individual assessment allowance and collective assessment allowance form the total expected credit allowance for the Group.

ECL will be assessed using an approach which classifies financial assets into three stages which reflects the change in credit quality of the financial assets since initial recognition:

Stage 1: 12 months ECL – not credit impaired

For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.

Stage 2: Lifetime ECL – not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition and that are not credit impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised.

Stage 3: Lifetime ECL – credit impaired

Financial assets are assessed as credit impaired when one or more objective evidence of defaults that have a detrimental impact on the estimated future cashflows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL will be recognised.

The changes in ECL between two-periods will be recognised in profit and loss.

The assessment of significant deterioration in credit risk since initial recognition is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL. The quantitative and qualitative assessments are required to estimate the significant increase in credit risk by comparing the risk of a default occurring on the financial assets as at reporting date with the risk of default occurring on the financial assets as at the date of initial recognition. The assessment of credit risk, as well as the estimation of ECL, are required to be unbiased, probability weighted and should incorporate all available information which is relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. The measurement of ECL is based on the discounted products of the PD, LGD and EAD models. Certain ECL models are leveraging on the existing Group's Basel II Internal Ratings-Based model, where feasible or available, with necessary adjustment to meet MFRS 9 requirements.

6.0 CREDIT RISK (CONTINUED)

6.8 Impairment Allowances for Loans/Financing (continued)

Individual Assessment – Impairment Triggers

The borrower/customer assessed under Impairment Allowances (IA) shall be classified as impaired under any one of the following situations:

1. When the principal or interest/profit or both, of any facility(s) of the borrower/customer is past due for 90 days or 3 months and above.
2. In the case of revolving facilities (e.g. overdraft facilities), the borrower/customer of the facility shall be classified as impaired where the outstanding amount has remained in excess of the approved limit for 90 days or 3 months and above.
3. Where the amount is past due or the outstanding amount has been in excess of the approved limit for less than 90 days or 3 months, the loan/financing exhibits weaknesses (refer to impairment trigger) that would render it to be classified as impaired.
4. Where repayments of the loans/financing are scheduled on intervals of 3 months or longer, the borrower/customer is classified as impaired as soon as a default occurs.
5. Upon occurrence of any one Mandatory Status Triggers (MSTs), both Ancillary Status Trigger (AST) 1 and AST 4 or any three ASTs and above. These MSTs and ASTs are pre-defined trigger events approved by the Group to facilitate impairment classification.
6. In the case of share margin facilities, the borrower/customer shall be classified as impaired where the force selling ratio is triggered and after a period of time after force selling has commenced or where margin of finance exceeds the pre-set threshold.

Note:

For R&R facilities, the customer shall be classified as impaired in accordance with paras 1 to 4 above based on the revised or restructured terms.

Individual Impairment Provisions

Borrowers/customers under individual assessment and triggered either by any one MSTs, both AST 1 and AST 4, or any 3 ASTs and above will be classified as impaired. Consequently, impairment assessment is to be carried out on these impaired borrowers/customers, based on reasonable and well documented estimates of the future cashflows/realisations of collateral that is expected to recover from the impaired borrowers/customers i.e. net present value of future cashflows are discounted based on original effective interest/profit rates and compared against carrying amount. Any impairment on the shortfalls will be provided in full immediately.

Re-classification and Write Back of Impairment Provision

An impaired borrower/customer may be re-classified as a non-impaired status under the following situations:

1. When the loan/financing repayment of the impaired borrower/customer has improved with the principal or interest/profit or both, of its facilities with the Group being past due less than 90 days or 3 months.
2. Where the borrower/customer exhibits weakness(es) that render it to be classified as impaired, even though the loan/financing is past-due less than 90 days or 3 months, such borrowers may be reclassified as non-impaired status when these weaknesses have been subsequently addressed or resolved.
3. Where the borrower/customer has been individually assessed as impaired due to either any one MSTs, both AST 1 and AST 4, or any three ASTs and above, the borrower/customer may be reclassified as non-impaired status when these triggers have since been addressed and resolved.
4. For borrower with R&R facilities - when the borrower has complied with the revised repayment terms under cooling period requirement.
5. When the margin account's equity exceeds 130% of the outstanding balance, as determined in accordance with Chapter 7 Rule 7.30 of Bursa Malaysia Securities Berhad at the end of the calendar month of that occurring.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.8 Impairment Allowances for Loans/Financing (continued)

Write-Off of Impaired Loans/Financing

The policy of writing off impaired loans/financial assets is intended to provide a timely and consistent methodology for loans/financial assets to be written off, and to reflect the true value of assets in the books of the Bank.

1. All impaired loans/financial assets which are deemed irrecoverable, worthless, slim in prospect of recovery, or under approved composite settlement schemes, may be recommended for write-off.
2. Accelerated write-off based on time based approach is allowed for Retail and programmed lending impaired loans/financial assets.
3. Partial write-offs of impaired loans/financial assets is permitted for the shortfall portion in outstanding balance over the security value which is uncollectible and worthless; and the Bank is in the final stage of realising the security/collateral; or in the case of approved settlement arrangement, the waiver portion.

The following tables show RHB Bank Group's impaired and past due loans/financing and allowance for credit losses by industry sector as at 31 December 2025 compared with 31 December 2024:

Table 18a: Impaired and Past Due Loans/Financing and Allowance for Credit Losses by Industry Sector as at 31 December 2025

RHB Bank Group	Impaired Loans and Advances/Financing RM'000	Past Due Loans/Financing RM'000	Allowance for Credit Losses RM'000
Industry Sector			
Agriculture	45,549	42,898	37,709
Mining & Quarrying	4,036	702	2,593
Manufacturing	343,470	123,242	249,501
Electricity, Gas & Water Supply	81,528	1,389	41,952
Construction	313,458	94,229	154,624
Wholesale, Retail Trade, Restaurants & Hotels	835,805	506,825	458,687
Transport, Storage & Communication	98,789	38,510	72,160
Finance, Insurance/Takaful, Real Estate & Business	275,012	286,754	387,520
Education, Health & Others	209,189	74,112	33,074
Household	1,295,767	5,942,611	1,219,364
Others	36,897	163,191	53,096
Total	3,539,500	7,274,463	2,710,280

6.0 CREDIT RISK (CONTINUED)

6.8 Impairment Allowances for Loans/Financing (continued)

Table 18b: Impaired and Past Due Loans/Financing and Allowance for Credit Losses by Industry Sector as at 31 December 2024

RHB Bank Group	Impaired Loans and Advances/ Financing RM'000	Past Due Loans/ Financing RM'000	Allowance for Credit Losses RM'000
Industry Sector			
Agriculture	51,993	8,782	28,637
Mining & Quarrying	3,498	15,626	2,794
Manufacturing	342,422	198,671	260,557
Electricity, Gas & Water Supply	9,384	2	21,968
Construction	460,804	172,454	251,619
Wholesale, Retail Trade, Restaurants & Hotels	765,568	494,040	458,413
Transport, Storage & Communication	90,144	35,559	123,095
Finance, Insurance/Takaful, Real Estate & Business	389,660	269,329	377,298
Education, Health & Others	120,701	78,973	29,143
Household	1,205,944	5,717,996	969,204
Others	47,090	320,113	217,296
Total	3,487,208	7,311,545	2,740,024

The following table shows the net charges/(write back) and write-offs for loans/financing impairment by industry sector as at 31 December 2025 compared with 31 December 2024:

Table 19: Net Charges/(Write back) and Write-Offs for Loans/Financing Impairment by Industry Sector

RHB Bank Group	Twelve Months Period Ended 2025		Twelve Months Period Ended 2024	
	Net Charges/ (Write back) for Lifetime ECL Credit Impaired (Stage 3) RM'000	Write-Offs for Lifetime ECL Credit Impaired (Stage 3) RM'000	Net Charges/ (Write back) for Lifetime ECL Credit Impaired (Stage 3) RM'000	Write-Offs for Lifetime ECL Credit Impaired (Stage 3) RM'000
Industry Sector				
Agriculture	9,297	(454)	4,594	(17,522)
Mining & Quarrying	53	-	954	(428)
Manufacturing	37,356	(34,324)	81,935	(28,298)
Electricity, Gas & Water Supply	30,993	(1,287)	5,264	(137)
Construction	35,181	(89,695)	29,115	(78,808)
Wholesale, Retail Trade, Restaurants & Hotels	70,698	(62,127)	134,248	(135,948)
Transport, Storage & Communication	8,651	(8,259)	(76,788)	(15,641)
Finance, Insurance/Takaful, Real Estate & Business	6,150	(10,557)	17,824	(26,714)
Education, Health & Others	8,817	(2,382)	(3,208)	(5,479)
Household	313,360	(289,314)	314,683	(336,880)
Others	2,667	(505)	1,782	(2,487)
Total	523,223	(498,904)	510,403	(648,342)

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

6.0 CREDIT RISK (CONTINUED)

6.8 Impairment Allowances for Loans/Financing (continued)

The following tables show RHB Bank Group's Impaired and Past Due Loans/Financing and Allowance for Credit Losses by Geographical Distribution as at 31 December 2025 compared with 31 December 2024:

Table 20a: Impaired and Past Due Loans/Financing and Allowance for Credit Losses by Geographical Distribution as at 31 December 2025

RHB Bank Group	Impaired Loans and Advances/ Financing RM'000	Past Due Loans/ Financing RM'000	Allowance for Credit Losses RM'000
Geographical Distribution			
Malaysia	2,593,082	6,599,228	2,131,376
Labuan Offshore	-	-	6,994
Singapore	139,730	240,757	153,941
Thailand	464,662	7,213	320,700
Brunei	3,397	48,201	1,928
Cambodia	338,629	317,111	91,594
Lao	-	61,953	3,747
Total	3,539,500	7,274,463	2,710,280

Table 20b: Impaired and Past Due Loans/Financing and Allowance for Credit Losses by Geographical Distribution as at 31 December 2024

RHB Bank Group	Impaired Loans and Advances/ Financing RM'000	Past Due Loans/ Financing RM'000	Allowance for Credit Losses RM'000
Geographical Distribution			
Malaysia	2,431,036	6,418,648	2,147,969
Labuan Offshore	-	-	5,077
Singapore	219,625	279,145	199,215
Thailand	445,703	-	314,620
Brunei	4,078	30,804	2,101
Cambodia	386,766	503,335	64,999
Lao	-	79,613	6,043
Total	3,487,208	7,311,545	2,740,024

6.0 CREDIT RISK (CONTINUED)

6.8 Impairment Allowances for Loans/Financing (continued)

The following tables show RHB Bank Group's Movement in Loans/Financing Allowance for Credit Losses as at 31 December 2025 compared with 31 December 2024:

Table 21a: Movement in Loans/Financing Allowance for Credit Losses as at 31 December 2025

RHB Bank Group	12-month ECL (Stage 1) RM'000	Lifetime ECL Not Credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
Balance as at the beginning of the financial year	803,129	721,173	1,215,722	2,740,024
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	174,465	(139,390)	(35,075)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(34,227)	144,041	(109,814)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(9,611)	(89,465)	99,076	-
	130,627	(84,814)	(45,813)	-
Changes in credit risk	(245,397)	46,067	673,595	474,265
Purchases and origination	127,866	83,742	36,039	247,647
Changes to model methodologies	50,413	(16,093)	(11,997)	22,323
Derecognition	(51,330)	(58,093)	(128,601)	(238,024)
Bad debts written off	-	-	(498,904)	(498,904)
Exchange differences	(5,237)	(5,007)	(7,335)	(17,579)
Other movements	-	-	(19,472)	(19,472)
Balance as at the end of the financial year	810,071	686,975	1,213,234	2,710,280

Table 21b: Movement in Loans/Financing Allowance for Credit Losses as at 31 December 2024

RHB Bank Group	12-month ECL (Stage 1) RM'000	Lifetime ECL Not Credit Impaired (Stage 2) RM'000	Lifetime ECL Credit Impaired (Stage 3) RM'000	Total RM'000
Balance as at the beginning of the financial year	691,260	706,389	1,384,946	2,782,595
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	223,174	(183,709)	(39,465)	-
- Transferred to Lifetime ECL not credit impaired (Stage 2)	(33,719)	211,148	(177,429)	-
- Transferred to Lifetime ECL credit impaired (Stage 3)	(10,170)	(81,073)	91,243	-
	179,285	(53,634)	(125,651)	-
Changes in credit risk	(140,541)	37,827	766,222	663,508
Purchases and origination	134,124	99,666	26,862	260,652
Changes to model methodologies	(7,591)	-	-	(7,591)
Derecognition	(45,872)	(65,946)	(157,030)	(268,848)
Disposal of a subsidiary	-	-	(3,182)	(3,182)
Bad debts written off	-	-	(648,342)	(648,342)
Exchange differences	(7,536)	(3,129)	(8,547)	(19,212)
Other movements	-	-	(19,556)	(19,556)
Balance as at the end of the financial year	803,129	721,173	1,215,722	2,740,024

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

7.0 MARKET RISK

Market risk is the risk of losses arising from adverse movements in market drivers, such as interest/profit rates, credit spreads, equity prices, currency exchange rates and commodity prices. Under this definition, market risk will constitute:

- the interest/profit rate and equity risks pertaining to financial instruments in the trading book; and
- foreign exchange risk and commodities risk in the trading and banking books.

The Group transacts in financial instruments such as debt papers and derivative instruments such as futures, forwards, swaps, and options. Derivative instruments are contracts whose characteristics and value are derived from the underlying assets which may include interest/profit rates, exchange rates, debt securities, equities, indices and commodities.

The Group Market Risk Management, within Group Risk Management operates as a working level centralised function that supports senior management in the development of market risk framework, establishment of risk limits, operationalisation of processes and implementation of measurement methodologies to ensure adequate risk control and oversight are in place. The primary responsibility for managing market risk as the first line of defence, remains at the respective business units.

The Group Asset and Liability Committee (Group ALCO), GCRC and IBRMC play a critical role in the management of market risk and support the board risk committees in their oversight of the market risk management. These management committees meet regularly and serve as the key forum for strategic and tactical decision-making related to market risk. This includes the development of the Group's market risk strategy, the establishment of market risk management structure and the formulation of policies and measurement techniques to be put in place.

The Group has established Group Trading Book Policy Statement, frameworks and risk limits as guidance for market risk management. These documents are reviewed regularly and/or upon change in significant event that has a material impact on policy compliance or regulatory changes.

Market Risk Measurement and Control

The Group applies risk monitoring and assessment tools to measure trading book positions and market risk factors. Statistical and non-statistical risk assessment tools applied include Value-at-Risk (VaR), sensitivity analysis and stress testing.

The Group adopts a systematic approach in managing market risks based on the types of instruments and nature of exposure. Market risk is primarily monitored and controlled through a structure of limits and triggers i.e. Price Value of a Basis Point (PV01), cut loss, VaR, trading limit and notional limit, which are set in accordance with the size of positions and risk tolerance appetites. In addition, the Group conducts periodic stress testing of its respective portfolios to assess market risk under abnormal market conditions.

Market Risk Monitoring and Reporting

For effective control of market risk, defined management action triggers and risk limits are established and actively monitored. Only authorised trading activities can be undertaken by the authorised/relevant business units within the allocated limits. All trading positions are independently monitored on a daily basis and in accordance with the established escalation procedures and predefined key actions. Market risk exposure reports are presented to the senior management, relevant committees and the Board.

Hedging Activities

Hedging activities designated for hedge accounting are governed by the Group's Hedging Policy which prescribes the overall hedging activities that can be executed by the Group along with the associated control procedures, such as effectiveness measurement and reporting to Group ALCO. Hedging instruments used to mitigate these risks include options, futures, forwards and swaps that are approved by the Board. Execution of the hedging is carried out by the relevant division through the Group's treasury functions with the approval of Group ALCO.

7.0 MARKET RISK (CONTINUED)

Capital Treatment for Market Risk

The Group applies the Standardised Approach to calculate market risk capital requirements in accordance with BNM's Guideline. The market risk-weighted assets and the corresponding capital requirements for RHB Bank Group, RHB Bank, RHB Islamic Bank and RHB Investment Bank as at 31 December 2025 and 31 December 2024 are shown in the tables below:

Table 22a: Market Risk-Weighted Assets and Minimum Capital Requirements as at 31 December 2025

RHB Bank Group				
	Long Position RM'000	Short Position RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirements RM'000
Market Risk				
Interest Rate Risk/Profit Rate Risk	327,322,950	324,217,918	6,200,741	496,059
Equity Position Risk	120,415	83,917	96,288	7,703
Foreign Currency Risk	858,274	413,095	872,579	69,807
Options Risk	65,382	278,528	103,887	8,311
Total			7,273,495	581,880
RHB Bank				
	Long Position RM'000	Short Position RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirements RM'000
Market Risk				
Interest Rate Risk/Profit Rate Risk	287,596,843	285,161,038	5,544,980	443,598
Equity Position Risk	-	-	-	-
Foreign Currency Risk	551,054	441,593	494,647	39,572
Options Risk	7,794	362,841	16,876	1,350
Total			6,056,503	484,520
RHB Islamic Bank				
	Long Position RM'000	Short Position RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirements RM'000
Market Risk				
Profit Rate Risk	39,398,614	39,051,741	631,719	50,537
Equity Position Risk	-	-	-	-
Foreign Currency Risk	16,206	99,831	99,835	7,987
Options Risk	-	-	-	-
Total			731,554	58,524
RHB Investment Bank				
	Long Position RM'000	Short Position RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirements RM'000
Market Risk				
Interest Rate Risk/Profit Rate Risk	298,698	4,653	13,617	1,089
Equity Position Risk	75,130	59,238	42,767	3,421
Foreign Currency Risk	99,564	576	99,564	7,965
Options Risk	-	59,238	40,022	3,202
Total			195,970	15,677

Note:

As at 31 December 2025:

- RHB Bank Group did not have any exposure under commodity risk, inventory risk, and market risk exposure absorbed by PSIA.
- RHB Bank did not have any exposure under equity position risk, commodity risk, inventory risk, and market risk exposure absorbed by PSIA.
- RHB Islamic Bank did not have any exposure under equity position risk, commodity risk, inventory risk, options risk, and market risk exposure absorbed by PSIA.
- RHB Investment Bank did not have any exposure under commodity risk and inventory risk. The equity position risk is computed based on net long and net short position.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

7.0 MARKET RISK (CONTINUED)

Table 22b: Market Risk-Weighted Assets and Minimum Capital Requirements as at 31 December 2024

RHB Bank Group	Long Position RM'000	Short Position RM'000	Risk-Weighted Assets RM'000	Minimum Capital Requirements RM'000
Market Risk				
Interest Rate Risk/Profit Rate Risk	271,049,793	267,429,322	4,536,244	362,900
Equity Position Risk	164,506	150,039	51,885	4,151
Foreign Currency Risk	1,062,207	406,722	1,024,165	81,933
Options Risk	204,617	169,741	64,924	5,194
Total			5,677,218	454,178
RHB Bank				
Market Risk				
Interest Rate Risk/Profit Rate Risk	277,188,942	271,605,527	4,396,470	351,718
Equity Position Risk	-	-	-	-
Foreign Currency Risk	730,941	599,676	692,903	55,432
Options Risk	40,111	19,702	2,856	228
Total			5,092,229	407,378
RHB Islamic Bank				
Market Risk				
Profit Rate Risk	35,864,622	35,657,616	442,382	35,391
Equity Position Risk	-	-	-	-
Foreign Currency Risk	43,588	91,283	91,287	7,303
Options Risk	-	-	-	-
Total			533,669	42,694
RHB Investment Bank				
Market Risk				
Interest Rate Risk/Profit Rate Risk	174,005	18,216	3,046	244
Equity Position Risk	152,029	147,635	30,538	2,443
Foreign Currency Risk	112,187	4,547	112,187	8,975
Options Risk	-	147,635	60,212	4,817
Total			205,983	16,479

Note:

As at 31 December 2024:

- RHB Bank Group did not have any exposure under commodity risk, inventory risk, and market risk exposure absorbed by PSIA.
- RHB Bank did not have any exposure under equity position risk, commodity risk, inventory risk, and market risk exposure absorbed by PSIA.
- RHB Islamic Bank did not have any exposure under equity position risk, commodity risk, inventory risk, options risk, and market risk exposure absorbed by PSIA.
- RHB Investment Bank did not have any exposure under commodity risk and inventory risk. The equity position risk is computed based on net long and net short position.

8.0 EQUITY EXPOSURES IN THE BANKING BOOK

Equity risk is the risk of decline in the net realisable value of equity exposures in the banking book. These include:

- Investment in securities (listed and unlisted equity holdings, whether direct/indirect, and includes private equity); and
- Investment in associate companies and joint ventures.

The Group holds positions as a result of debt equity conversions and for socio-economic and non-socio-economic purposes, which are deemed as non-trading instruments. Holding of publicly traded equity investments comprise quoted shares which are traded actively in the stock exchange. All publicly traded equity exposures and unquoted investments are stated at fair value.

The Group Impairment Guidelines provides the guidance of debt equity conversions and management of such exposures to ensure that these exposures are effectively managed and accounted for in the Group's books.

For regulatory capital purpose, RHB Bank Group adopts the Standardised Approach to calculate the risk-weighted exposures. The risk-weighted assets of equity investments of the Group as at 31 December 2025 and 31 December 2024 are shown in the tables below:

Table 23: Equity Exposures in the Banking Book

RHB Bank Group	Gross Credit Exposures		Risk-Weighted Assets	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Equity Type				
Publicly traded				
Investment in unit trust funds	32,101	31,828	32,101	31,828
Holdings of equity investments	39,028	3,433	39,028	3,433
Privately held				
For socio-economic purposes	884,248	825,564	884,248	825,564
For non-socio-economic purposes	787,020	875,469	1,180,530	1,313,203
Total	1,742,397	1,736,294	2,135,907	2,174,028
	2025 RM'000	2024 RM'000		
Cumulative Realised Gains from Sale and Liquidations	77	21,512		
Total Net Unrealised Gains	822,475	1,002,570		

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

9.0 LIQUIDITY RISK

Liquidity risk is the risk of the Group being unable to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due and transact at a reasonable cost. Liquidity risk also arises from the inability to manage unplanned decreases or changes in funding sources.

There are two types of liquidity risk, namely funding liquidity and market liquidity risk. Funding liquidity risk is the risk that the Group is unable to efficiently meet both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the Group. Market liquidity risk is the risk that the Group cannot easily offset or eliminate a position at the market price because of inadequate market depth or market disruption.

The fundamental role of financial institutions in the maturity transformation of short-term deposits into long-term loans makes financial institutions inherently vulnerable to liquidity risk, both of institution-specific nature and that which affects financial markets as a whole. Guided by the Group's Liquidity Risk Policy, the Group manages the funding and market liquidity risk to ensure that banking operations continue to be uninterrupted under normal and stressed conditions. The key principles in Group's Liquidity Risk Policy includes maintaining financial market confidence at all times, protecting key stakeholders' interests and meeting regulatory liquidity requirements.

Early warning indicators and triggers are identified, assessed and monitored to guard off adverse liquidity event. The same is reported to Management and Senior Management Committees to facilitate discussion and development of preventive actions to mitigate potential risk. In addition, the Group's guideline on Liquidity Incident Management Plan (i.e. Contingency Funding Plan) stipulates guidance on managing liquidity crisis. The corresponding remedial action plan is documented with clear roles and responsibilities from relevant business and functional units (including overseas operations). The escalation processes are defined to facilitate orderly and timely execution of liquidity management plans. Simulation exercise on contingency funding plan is carried out periodically to ensure it remains relevant and fit-for-purpose.

Group Asset and Liability Management (Group ALM) undertakes the responsibility of liquidity risk management, including establishing liquidity management policies and risk limits, identify and monitor risk exposures, perform stress testing, and develop and review contingency funding plans. These processes are carried out regularly or as warranted by changes in business or market circumstances. Key liquidity risk ratio/measurement includes but not limited to Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), Top Depositor concentration ratio, Liquidity Crisis Trigger and available contingency funding sources.

The Group adopts and adheres to BNM liquidity standards on LCR (ensuring holding of sufficient high-quality liquid assets (HQLA) to withstand an acute liquidity stress scenario over a 30-day horizon at both the entity and consolidated level) and NSFR (i.e. maintaining a stable funding profile to support their assets and off-balance sheet activities). The LCR and NSFR at RHB Banking Group level have been maintained at above regulatory limit of 100%.

The Group ALCO supports the board committees by performing the critical role in oversight of balance sheet risk, liquidity risk, and market risk (both trading and banking book). Group ALCO meets regularly to review and assess potential risk arising from interest rate/rate of return risk in banking book, liquidity and market risk, deliberate business strategies and risk mitigation plans on the back of prevailing market condition and business landscape. In addition, Group ALCO reviews and approves interest/profit rates for liabilities products as well as reference rates for financing products and services.

10.0 INTEREST RATE RISK/RATE OF RETURN RISK IN THE BANKING BOOK

Interest rate risk/rate of return risk in the banking book refers to the risk of the Group's earnings and economic value of equity due to the adverse movements in interest rate/benchmark rate. The risk may arise from the mismatches in the timing of re-pricing of assets and liabilities from both on and off-balance sheet positions in the banking book, changes in slope and shape of the yield curve, basis risk and optionality risk.

Interest rate risk/rate of return risk in the banking book comprises:

• Re-pricing risk (mismatch risk)	-	Arises from timing differences in the maturity (for fixed-rate) and re-pricing (for floating-rate) of bank assets, liabilities, and off-balance sheet positions. While such re-pricing mismatches are fundamental to the business of banking, they can expose a bank's income and underlying economic value to unanticipated fluctuations as interest/benchmark rates vary;
• Basis risk	-	Arises from imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar re-pricing characteristics. When interest/benchmark rates change, these differences can give rise to unexpected changes in the cash flows and earnings spread between assets, liabilities and off-balance sheet instruments of similar maturities or re-pricing frequencies;
• Yield curve risk	-	Arises when unanticipated shifts of the yield curve have adverse effects on the Group's income or underlying economic value; and
• Embedded optionality	-	Arises primarily from options that are embedded in some banking book products (e.g. Mortgage/home financing products which allow early prepayment without penalty. Call deposit which allows customers to withdraw its deposit at any time).

Earnings-at-Risk (EaR) and Economic Value of Equity (EVE) are used to assess interest rate risk/rate of return risk in the banking book. They are computed based on the re-pricing gap profile of the banking book in accordance to BNM reporting requirement. Assets and liabilities are bucketed based on their remaining maturity or next re-price dates.

EaR measures the impact of interest/benchmark rate on earnings of the bank, over a one-year horizon. Interest rate shock scenarios are determined based on balance sheet structure and repricing gap of the bank/reporting entity to assess the adverse impact to earnings.

EVE measures the impact of interest/benchmark rates changes on the value of net cash flows (covering assets, liabilities and off-balance sheet positions) over the total capital of the bank. It is a long term economic measure in assessing the degree of interest rate exposure in relation to the total capital of the bank.

Guided by Group Interest Rate Risk/Rate of Return Risk in the Banking Book Policy, Group Asset and Liability Management (Group ALM) manages interest rate/rate of return risk in banking book in adherence to established governance structure and process. Monthly EaR and EVE are measured, controlled and monitored against risk limits set. These are supplemented with projections to assess potential risk arising from changes in balance sheet structure and market environment. In addition, assessment of EaR and EVE are performed based on stressed scenarios on a regular basis. The Group evaluates the level of capital that it should hold, to ensure it is sufficient to cover interest rate/rate of return risk in banking book. This is performed via internal capital assessment based on internal methodologies.

The potential risk arising from interest rate/rate of return risk in banking book is regularly reviewed and assessed by Group ALCO.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

10.0 INTEREST RATE RISK/RATE OF RETURN RISK IN THE BANKING BOOK (CONTINUED)

The impact of changes in interest/benchmark rates to net earnings and economic value as at 31 December 2025 and 31 December 2024 are shown in the following tables:

Table 24a: Interest Rate Risk/Rate of Return Risk in the Banking Book as at 31 December 2025

RHB Bank Group	Impact on Position as at Reporting Period (100 basis points) Parallel Shift			
	Increase/(Decline) in Earnings		Increase/(Decline) in Economic Value	
	Impact based on +100 basis points RM'000	Impact based on -100 basis points RM'000	Impact based on +100 basis points RM'000	Impact based on -100 basis points RM'000
Currency				
MYR – Malaysian Ringgit	594,287	(594,287)	(1,598,478)	1,598,478
USD – US Dollar	(207,875)	207,875	(164,437)	164,437
Others ¹	21,336	(21,336)	(223,574)	223,574
Total	407,748	(407,748)	(1,986,489)	1,986,489

Table 24b: Interest Rate Risk/Rate of Return Risk in the Banking Book as at 31 December 2024

RHB Bank Group	Impact on Position as at Reporting Period (100 basis points) Parallel Shift			
	Increase/(Decline) in Earnings		Increase/(Decline) in Economic Value	
	Impact based on +100 basis points RM'000	Impact based on -100 basis points RM'000	Impact based on +100 basis points RM'000	Impact based on -100 basis points RM'000
Currency				
MYR – Malaysian Ringgit	482,094	(482,094)	(1,407,430)	1,407,430
USD – US Dollar	(133,493)	133,493	(99,374)	99,374
Others ¹	27,646	(27,646)	(64,316)	64,316
Total	376,247	(376,247)	(1,571,120)	1,571,120

Note:

- Inclusive of GBP, EUR, SGD, etc.
- The EaR and EVE exposures are additive and do not take into account any correlation impact in the aggregation.
- The earnings and economic values were computed based on the standardised approach adopted by BNM.

The impact to net earnings above represents financial assets and liabilities that have been prepared on the following basis:

- Interest/benchmark rate sensitive assets and liabilities with residual maturity or re-pricing tenure of up to one year that is not captured in the trading portfolio are slotted into time bands based on the maturity or re-pricing tenure whichever is earlier.
- A set of risk weights with its respective time band is used to project the applicable basis point interest/benchmark rate change impact.
- For assets and liabilities without maturity, e.g., current and savings accounts, behavioural assumptions are applied while reporting these in the respective time-buckets.

11.0 OPERATIONAL RISK

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, which includes a wide spectrum of heterogeneous risks such as fraud, physical damage, business disruption, transaction failures, outsourcing risks, technology risks, legal risks, Shariah non-compliance and regulatory breaches as well as employee health and safety hazards. Operational risk may result in direct financial losses as well as indirect financial losses (e.g. loss of business and market share) due to reputational damage.

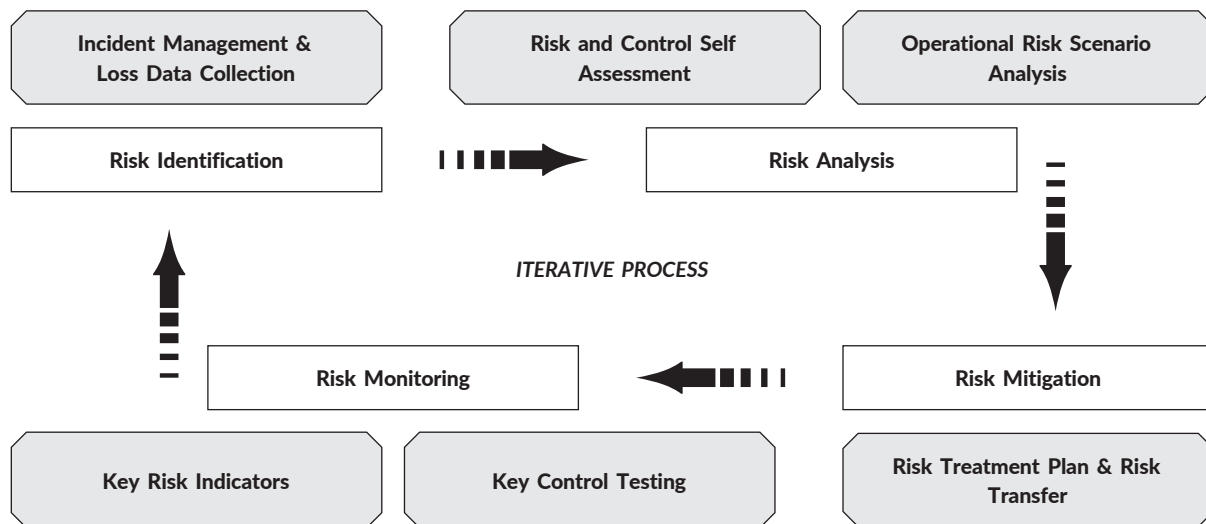
Operational Risk Management Function and Organisation

The Group Non-Financial Risk Management within Group Risk Management has functional responsibility for the development of operational risk framework, policy and methodologies, and providing guidance and information to the business units on operational risk areas. Its responsibility also includes generating a broader understanding and awareness of operational risk issues at all levels in the Group. It also ensures that operational risks from new products, processes and systems are adequately managed and mitigated. The respective business and support units are primarily responsible for managing operational risk on a day-to-day basis.

Regular operational risk reporting is made to the senior management, respective committees and the Board that includes various operational risk information such as risk analysis, risk mitigation action plans, risk tools outcomes, risk appetite breaches, significant operational risk events and control failures, and lessons learnt. In addition, key operational risk incidents are reported to senior management daily. Such reporting enables senior management to be informed and deliberate on the identified operational lapses, promptness of corrective actions, and to ensure appropriate risk mitigation decision making and action plans are performed.

Operational Risk Management Processes and Tools

The Group establishes and uses the relevant operational risk tools and methodologies to support and ensure an effective operational risk management processes.



1. Incident Management and Data Collection – a process to report and record all operational risk incidents;
2. Risk and Control Self-Assessment – a methodology to build risk profile for each business/function;
3. Operational Risk Scenario Analysis – a methodology to identify plausible risk scenarios for assessment;
4. Risk Treatment Plan – a register to assist business to monitor the action plans;
5. Key Risk indicators – a methodology for business to track and monitor significant risk areas associated to their business/function; and
6. Key Control Testing – a methodology to assist business in performing a test on the controls to determine effectiveness.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

11.0 OPERATIONAL RISK (CONTINUED)

Risk Mitigation and Controls

Risk mitigation strategies are used to minimise risk to an acceptable level and aim to decrease the likelihood of an undesirable event and the impact on the business, should it occur. The control tools and techniques, amongst others, are as follows:

- **Strengthening Internal Controls**

Internal controls (i.e. control environment, risk assessment, control activities, information and communication, and monitoring) are designed to commensurate with the operational risk exposures faced by the Group. The Group monitors and regularly evaluates its internal control systems to ensure that they are operating effectively and to take account of changing internal and external conditions.

- **Business Resilience and Continuity**

To mitigate the impact of unforeseen operational risk events, the Group has on-going and actively managed Business Continuity Management (BCM) programme for its major critical business operations and activities at the Head Office, data centre, and branches' locations. There are ongoing continuous improvement initiatives to build operational resilience to ensure sustainability of critical services. The BCM programme is subject to regular testing to validate the adequacy and preparedness of all resources to support critical and essential services in the event of disruption. BCM Programme is under the responsibility of the Operations Resiliency & 3rd-Party Risk Department. The Board of Directors has an oversight function through the Board Risk Committee and Group Capital and Risk Committee (GCRC). The Group Business Continuity Committee, which reports to GCRC, is the committee that oversees the Group's business continuity framework, policies, budget and plans.

- **Fraud Risk Management**

Robust fraud risk management processes are in place to manage threats from external sources and internally, guided by the Group Fraud Risk Management Policy. The Group constantly assesses and monitors fraud risk to ensure consistent organisational behavior through the development, implementation, and regular review of fraud prevention, detection, and response strategies. To help protect our customers against fraud, the Group invest on continuous fraud awareness briefings and fraud risk management training for our frontline employees while also promoting greater customers awareness of prevailing fraud scheme through frequent customer communications via email, our website, mobile banking app, automated teller machines and social media channels.

- **Outsourcing**

Due to the need to outsource for cost and operational efficiency, policy and guidelines are put in place to ensure that the risks arising from outsourcing activities are adequately identified, assessed and managed prior to entering into any new arrangements and on an on-going basis.

- **Insurance/Takaful Management**

The Group considers risk transfer by means of insurance/Takaful to mitigate operational risk. The Group has a programme of insurance/Takaful designed to reduce its exposure to liability and to protect its assets. Insurance/takaful arrangement is used to complement the management of operational risk and not as a substitute for a sound internal control environment.

Technology Risk

Technology Risk refers to the business risk associated with the use, ownership, operation, involvement, influence and adoption of Information Technology (IT) within the Group.

The Group recognises the risk arising from the advancement and reliance upon information technology to support business operations through the deployment of advance technology and online systems to provide customers with convenient and reliable products and services. The Group's Technology and Cyber Risk Management Framework ensures that a governance structure is in place for the identification, assessment and management of technology risks within existing IT operations as well as prior to deployment of applications and systems for both internal and external customers.

To ensure that the residual risk is acceptable, the Group has established Technology and Cloud Risk Assessment processes to comprehensively identify and assess relevant risks and corresponding controls for IT and digitalisation initiatives.

To support the Group in maintaining a secure, reliable and well-governed technology environment, risk review was conducted on incident and problem management processes to strengthen operational resilience, enhance service reliability and ensure effective risk mitigation.

Cyber Risk

Cyber risk refers to threats or vulnerabilities arising from the connectivity of internal technology infrastructure to the Internet. As the banking industry increasingly adopts digital channels for service delivery, this risk remains inherent and significant. The Group acknowledges the importance of managing cyber risk and, as part of its governance framework, continuously evaluates and deploys suitable security technologies, strengthens detection and response capabilities, and ensures adequate allocation of skilled resources to safeguard the organisation's technology environment and customer data.

11.0 OPERATIONAL RISK (CONTINUED)

Cyber Risk (continued)

The Group also subscribes to various threat intelligence services to obtain up-to-date information on emerging cyber threat to facilitate proactive risk mitigation measures. To further ensure the security of Internet facing application systems, the Group engages reputable IT security service providers to perform periodic penetration testing, with all identified vulnerabilities remediated and validated through independent attestation by external consultants. To strengthen the internal cyber defences, Red Team and compromise assessment exercises are conducted regularly to evaluate the effectiveness of existing safeguards and incident response capabilities. Phishing simulation exercises are also carried out periodically to enhance staff vigilance and awareness of social engineering threats. To effectively manage third-party/outsourcing risks i.e. partners, vendors as well as the service providers, they are subjected to due diligence exercise which encompasses the attestation of their security controls and fulfilment of requirements as outlined in Bank Negara Malaysia's Risk Management in Technology (RMiT).

In the light of increasing use of artificial intelligence, the New Responsible & Ethical Artificial Intelligence Risk Management (REARM) Guideline was established to embed trust, fairness, and accountability into all AI-driven initiative, enabling the Group to harness AI's full potential while maintaining public confidence and ethical integrity.

New Product and Services Approval Process

The Group has established a Group Policy on Product Development & Approval and Group Guideline on Product Development & Approval which governs the risk management of new products, services, or significant changes thereto. The responsible units have a duty to assess the risk for new product launches and/or significant changes in product features or related processes and working systems, as well as to ensure that the risk is at an acceptable level at all times. The Guideline and Policy also have been enhanced recently to incorporate the BNM requirements on the Fair Treatment of Financial Consumer (FTFC) in ensuring that the products developed are transparent and provide sufficient information to consumers, ensuring they fully understand the products and services.

Legal Risk

Legal risk is part of operational risk. It can arise from unenforceable, unfavourable, defective or unintended contracts; lawsuits or claims; developments in laws and regulations, or non-compliance with applicable laws and regulations. Business units work together with the Group's legal counsel and external legal counsel to ensure that legal risk is effectively managed.

Capital Treatment for Operational Risk

The Group adopts the Standardised Approach for the calculation of regulatory operational risk capital requirements since January 2025. The operational risk-weighted assets and the corresponding capital requirements for RHB Bank Group, RHB Bank, RHB Islamic Bank and RHB Investment Bank as at 31 December 2025 (Basel III) and 31 December 2024 (Basel II), are shown below:

Table 25a: Operational Risk-Weighted Assets and Minimum Capital Requirements as at 31 December 2025

	RHB Bank Group RM'000	RHB Bank RM'000	RHB Islamic Bank RM'000	RHB Investment Bank RM'000
Operational Risk				
Risk-Weighted Assets	16,286,928	10,592,565	3,558,325	786,399
Minimum Capital Requirements	1,302,954	847,406	284,666	62,912

Table 25b: Operational Risk-Weighted Assets and Minimum Capital Requirements as at 31 December 2024

	RHB Bank Group RM'000	RHB Bank RM'000	RHB Islamic Bank RM'000	RHB Investment Bank RM'000
Operational Risk				
Risk-Weighted Assets	14,795,927	9,833,938	3,534,619	718,125
Minimum Capital Requirements	1,183,674	786,715	282,769	57,450

Note:

Operational RWA as at December 2025 is calculated using the Standardised Approach (SA) under BNM's Capital Adequacy Framework, while December 2024 figures were based on the Basic Indicator Approach (BIA). Comparative figures are not presented due to the change in methodology in line with BNM's transitional arrangements.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

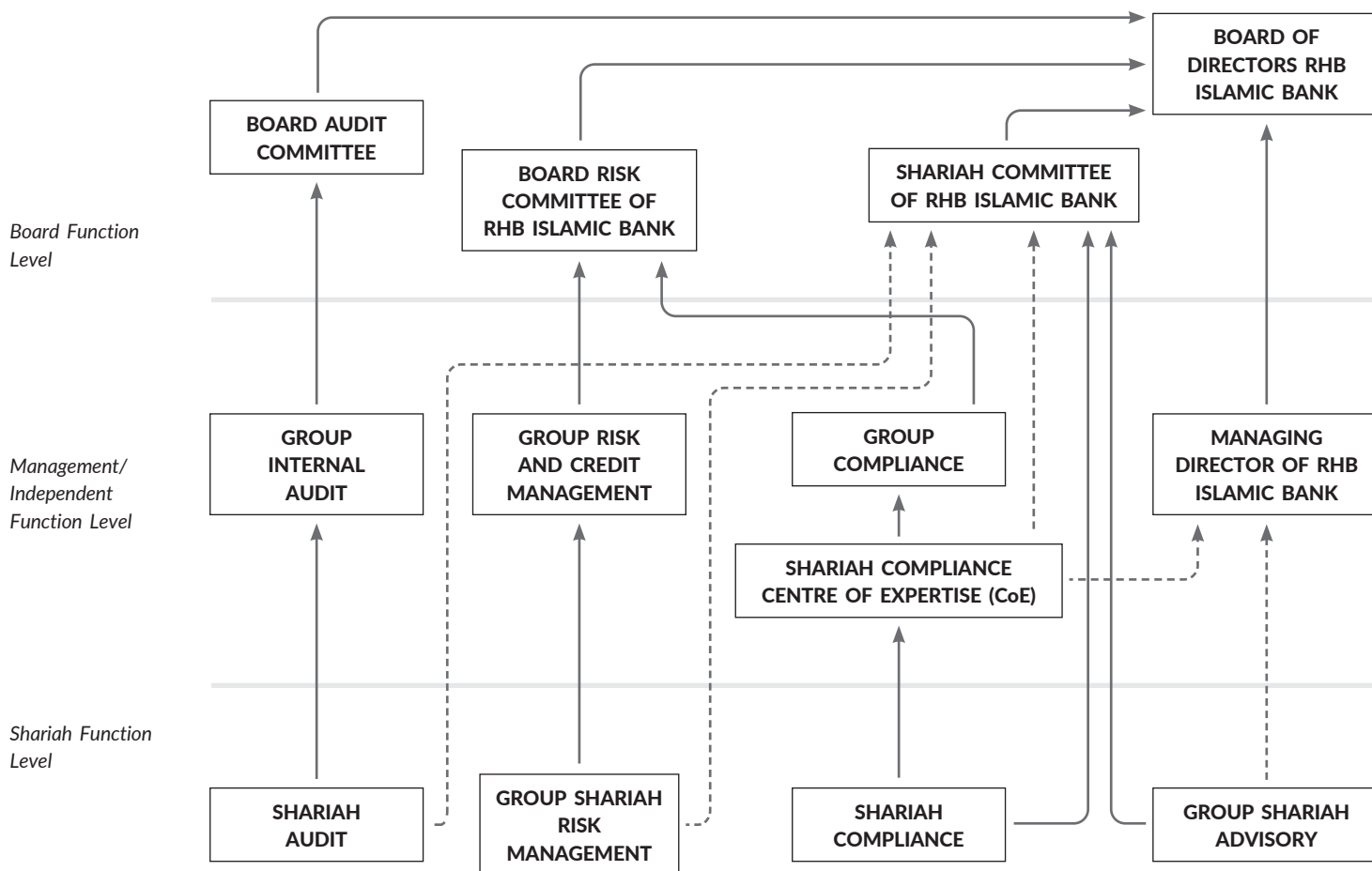
12.0 SHARIAH NON-COMPLIANCE RISK AND GOVERNANCE

Shariah non-compliance risk is the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which RHB may suffer arising from failure to comply with the rulings of the Shariah Advisory Council (SAC) of local regulatory bodies (such as the SAC of the BNM for Malaysia operations), standards on Shariah matters issued by the local regulator, or decisions or advice of the Shariah committee/ adviser appointed by respective RHB entities.

A Shariah Governance Framework has been developed with the objective of governing the entire Shariah compliance process within Islamic banking operations, and to:

- Ensure that the planning, development, and implementation of the Islamic products, services and conduct of business are in accordance with Shariah principles;
- Ensure that the operations do not contravene any of the Shariah principles and authorities' regulations related to the Shariah; and
- Act as a guide on the expectations to all personnel engaged in the Islamic business activities; to ensure that all such functions are based on the Shariah principles, practices and prudence.

The reporting structure of Shariah governance is as follows:



The Shariah Committee of RHB Islamic Bank (SCR) was established under BNM's Shariah Governance Policy Document.

The main duties and responsibilities of the SCR are to provide objective and sound advice to the Bank on Shariah matters in relation to Islamic business and operations; deliberating, affirming, and addressing any Shariah non-compliance event; as well as to provide written Shariah opinion on new products and RHB Islamic Bank's financial statements. The other entities within the RHB Banking Group without internal Shariah committee established have given the mandate to the SCR to advise on the Shariah matters, which are ultimately governed by the respective entities' board of directors.

12.0 SHARIAH NON-COMPLIANCE RISK AND GOVERNANCE (CONTINUED)

On a functional basis, the RHB Banking Group Islamic businesses are supported by Group Shariah Advisory, Group Shariah Risk Management, Shariah Compliance Centre of Expertise (CoE) and Shariah Audit.

The Head of Group Shariah Advisory reports functionally to the SCR and administratively to the Managing Director of RHB Islamic Bank. The main duties and responsibilities of Group Shariah Advisory include, but not limited to, conduct reviews on Islamic products and services; provide internal Shariah advisory support to the management in its daily business and operational matters; assist the SCR in elaborating and discussing on pertinent Shariah issues; provide in-depth research on competitive analysis in order to assist the SCR's decision-making process; ensure the internal Shariah governance, the internal process flow and policies, and Shariah approval processes are well managed and maintained in an efficient manner; ensure the Bank is in compliance with the highest standard of Shariah governance as set by BNM; serve as the secretariat of the SCR and to act as the mediator between the management and the SCR; oversee the computation and distribution of zakat and funds to be channelled to charity; and to represent the management in any Shariah-related matters.

The key role and responsibilities of Group Shariah Risk Management is to facilitate the identifying, measuring, monitoring and controlling of Shariah non-compliance risks inherent in the Islamic business and operations to mitigate any potential Shariah non-compliance events. Group Shariah Risk Management also performs assessment and provides support and reporting to the senior management committees relating to Shariah non-compliance risk.

Shariah Compliance CoE conducts review and assists the SCR in providing opinions from Shariah perspective in relation to the status of Shariah compliance of products, services and operations of the Islamic business operations. Shariah Audit provides an independent assessment on the adequacy and effectiveness of the Bank's internal control, risk management systems, governance processes including the overall compliance of the Bank's operations, business, affairs and activities with Shariah requirements.

Any incidences of Shariah non-compliance decided by the SCR are reported to the GCRC, BRC-i, BRC, the Board of Directors of respective entities in RHB Banking Group and the BNM (for Malaysia operations). Remedial actions may include the immediate termination of the Shariah non-compliant products or services and de-recognition of any Shariah non-compliant income.

There were 3 Shariah Non-Compliance events reported in 2025 involving retail and non-retail portfolio. A total of RM782,492.45 is allocated for distribution to charity while RM11,157.55 was refunded to customers.

13.0 INVESTMENT ACCOUNT

Investment Account (IA)

The Group via RHB Islamic Bank offers two types of Investment Account (IA) namely, Restricted Investment Account (RIA) which refers to an IA where the Investment Account Holder (IAH) provides a specific investment to RHB Islamic Bank, and Unrestricted Investment Account (URIA) which refers to an IA where the customer provides RHB Islamic Bank with a mandate to make the ultimate investment decision without specifying any particular restriction or condition. Each IA product under the RIA and URIA must be structured based on the application of the approved Shariah contract.

RHB Islamic Bank has put in place the necessary risk management framework, policies and guidelines as well as operational manuals and procedures in ensuring the interests of the IAH are protected. The operationalisation of the RIA and URIA products are governed by RHB Islamic Bank's governance component, amongst others:

1. Shariah Governance Framework;
2. RHB Islamic Bank Investment Account Pricing Framework;
3. RHB Islamic Bank Investment Account Policy;
4. RHB Islamic Bank Investment Account Guideline;
5. Profit Sharing & Restricted Agency Investment Account-i (PSIA-I & RAIA-I) Operations Manual;
6. Restricted Investment Account-i (RIA-i) Operations Manual; and
7. Treasury Operations Manual.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

13.0 INVESTMENT ACCOUNT (CONTINUED)

Investment Account (IA) (Continued)

The roles and responsibilities of various parties in ensuring the proper management of the IAH's funds are described as follows:

- Board of Directors committees – provide the strategic directions and risk appetite for the Bank, approve relevant governance structure, objectives and policy as well as providing oversight on the risk management and overall control activities;
- Shariah Committee – oversee and endorse the overall management and operations of the investment account business to be in compliance with Shariah, assess the work carried out by Shariah Advisory, Shariah Risk and Shariah Review on the investment account operations, and provide opinion on Shariah compliance of the IAs and the related operations;
- Senior management – formulate and implement investment strategies, internal control and risk management system, including profit distribution policy and valuation policy, in line with the investment objectives;
- Group ALCO – approve the structure, pricing and terms of IA based on the approved IA product;
- Other control and support functions – Group Treasury, Strategic Business Group, Group Finance, Group Shariah Business, Group Risk Management, Group Compliance and Group Internal Audit providing the necessary operational functions and independent assessment.

The governing principles as set out in the IA Policy of RHB Islamic Bank include policies related to asset allocations of the IA products which are translated into guidelines and operational document (standard manuals), which help senior management in making the necessary decision during the process. The related policy statements are as below:

1. The management of the assets and funds of the investment accounts must be managed with due care to the rights and safeguarding the interests of the investors.
2. The underlying assets, investment funds and transaction of the various investment accounts must be separated from other funds and assets managed and or owned by the Bank.
3. Transactions between the investment accounts and the Bank, if any, must be conducted in a transparent manner and on an arm's length basis.
4. The records for each investment account must be maintained separately and subjected to the valuation methodology established in accordance with the relevant accounting standards.
5. RHB Islamic Bank shall not implement profit smoothing practices or techniques to manage the Displaced Commercial Risk. The relationship and terms between the parties must be clearly stated in the terms and conditions of each investment account.
6. The Bank shall develop a list of permissible direct expenses that must be approved by the Board and the Shariah Committee. The list must be reviewed at least annually.

Restricted Investment Account (RIA)

Currently RHB Islamic Bank offers the following products under the RIA category:

1. Profit Sharing Investment Account-i (PSIA-i) which uses Mudarabah as the underlying Shariah contract (counterparty restricted to RHB Bank only); and
2. Restricted Investment Account-i (RIA-i) using the Mudarabah contract for retail and non-retail investors.

The products are offered to investors having the following characteristics:

1. Risk appetite match with investment objectives.
2. Require investment that comply with Shariah requirements.
3. Are willing to accept potential risk of losing the capital invested in order to achieve potential higher profit than normal term deposit rate.
4. IAH must be a legal entity that has legal capacity to enter into the contract.

13.0 INVESTMENT ACCOUNT (CONTINUED)

Unrestricted Investment Account (URIA)

RHB Islamic Bank currently offers the Wakalah Money Market Investment Account-i (WMMIA-i) using the Wakalah bi al-Istithmar contract. This product is offered to corporate investors (resident) having the following characteristics:

1. Risk appetite match with investment objectives.
2. Require investment that comply with Shariah requirements.
3. Are willing to accept potential risk of losing the capital invested in order to achieve potential higher profit than normal term deposit rate.
4. IAH must be a legal entity that has legal capacity to enter into Wakalah bi al-Istithmar contract.

Table 26: Disclosure on Profit Sharing Investment Account

RHB Bank Group	2025	2024
Unrestricted Investment Account (URIA)	%	%
Return on Assets (ROA)	5.94	13.33
Average Net Distributable Income	7.75	5.19
Average Net Distributable Income Attributable to the Investment Account Holder (IAH)	3.58	3.94
	RM'000	RM'000
Impaired assets funded by URIA	107	11,781
Impairment provisions funded by URIA	27	9,759

Note:

1. Return on Assets (ROA) refers to total gross income/average amount of assets funded by URIA. The decrease in ROA in 2025 is attributed to expansion of portfolio of underlying assets, whereby additional variable rate Personal Financing-i products with lower gross return were added into the portfolio, which originally only consists of fixed rate high yield assets. Although income continued to increase year-on-year, the growth in underlying assets with a lower weighted-average yield, led to a moderation of ROA compared to 2024.
2. Average Net Distributable Income refers to total average net distributable income/average amount of assets funded by URIA.
3. Impairment provisions funded by URIA cover Stage 1, Stage 2, and Stage 3 ECL.

Restricted Investment Account (RIA)

As at 31 December 2025, there were no financial assets funded by RIA with external investors.

As at 31 December 2024, the Return on Assets and Average Net Distributable Income Ratio were 6.88%, and impaired assets for financial assets funded by RIA with external investors amounted to RM564,169,000.

RHB Bank Group Basel II Pillar 3 Disclosures

as at 31 December 2025

14.0 COUNTRY CROSS-BORDER RISK

Country cross-border risk is the risk that the Group faced mainly involving multiple legal requirements in various jurisdictions which in turn result in compliance with different sets of standards. Some of these requirements may be unique to a jurisdiction or may be incompatible with each other, including those with respect to fiduciary duties, securities laws requirements and deal structure.

Additionally, political considerations such as the country's national security interest, offering policies on foreign investment, anti-trust and labour and employment policies may also require careful consideration. Due to this, there is a need for the Group to set out the policies and underline the expected conduct when venturing into such business activity.

This is to safeguard the Group's interest and reduce the compliance risk associated with the overseas business activities. In addition, the Group is also guided by the Country Risk limit, to manage the credit concentration risk arising from changes in the country's business environment where the Group has exposure in.

15.0 REPUTATIONAL RISK

Reputational risk is defined as the risk that negative publicity regarding the conduct of the Group or any of the entities within the Group, and its business practices or associations, whether true or not, will adversely affect its revenues, operations or customer base, or require costly litigation or other defensive measures. It also undermines public confidence in the Group, affecting the share price.

Reputational risk in the Group is managed and controlled through codes of conduct, governance practices and risk management practices, policies, procedures and training. The Group has developed and implemented the Group Reputational Risk Management Policy which outlines the core principles to manage reputational risk.

16.0 FORWARD LOOKING STATEMENTS

This document could or may contain forward looking statements that are based on current expectations as well as assumptions or anticipation of future events. These forward looking statements can be identified by the fact that they do not relate only to historical or current facts, and often use words such as anticipate, target, expect, estimate, intend, plan, believe, will, may, should, would, could or other words of similar expressions.

Undue reliance should not be placed on any of such statements. By their nature, forward looking statements are subject to risks and uncertainty because they relate to future events and circumstances, including, but not limited to domestic and global economic and business conditions, the effects of continued volatility in the credit markets, market-related risks such as changes in profit rates and exchange rates, changes in regulation, and future business combinations or dispositions. As a result, the Bank's actual future results may differ materially from the plans, goals, and the expectations contained in the forward looking statements.

The Group undertakes no obligation to revise or update any forward looking statements contained in this document, regardless of whether these statements are affected as a result of new information, future events or otherwise.

Table 27: Glossary of Terms

AI	Artificial Intelligence	IAH	Investment Account Holder
A-IRB	Advanced Internal Ratings-Based Approach	IBRMC	Investment Bank Risk Management Committee
ASB	Amanah Saham Bumiputera	ICAAP	Internal Capital Adequacy Assessment Process
BCC	Board Credit Committee	IT	Information Technology
BCM	Business Continuity Management	IRB Approach	Internal Ratings-Based Approach
BNM	Bank Negara Malaysia	LCR	Liquidity Coverage Ratio
Board	Board of Directors	LGD	Loss Given Default
BRC	Board Risk Committee	MARC	Malaysian Rating Corporation Berhad
CAFIB	Capital Adequacy Framework for Islamic Banks	MATs	Management Action Triggers
CCB	Capital Conservation Buffer	MDBs	Multilateral Development Banks
CCP	Central Counterparties	MFRS 9	Malaysian Financial Reporting Standards 9
CCR	Counterparty Credit Risk	Moody's	Moody's Investors Service
CCyB	Countercyclical Capital Buffer	MYR	Malaysian Ringgit
CET	Common Equity Tier	NSFR	Net Stable Funding Ratio
CoE	Centre of Expertise	OTC	Over-the-Counter
CRM	Credit Risk Mitigation	PD	Probability of Default
DFIs	Development Financial Institutions	PSIA	Profit Sharing Investment Accounts
EAD	Exposure at Default	PV01	Price Value of a Basis Point
EaR	Earnings-at-Risk	R&I	Rating and Investment Information, Inc
ECAIs	External Credit Assessment Institutions	RAM	Rating Agency Malaysia
ECL	Expected Credit Loss	REAIRM	Responsible & Ethical Artificial Intelligence Risk Management
EL	Expected Loss	RM'000	Malaysian Ringgit in nearest thousand
EUR	Euro Dollar	R&R	Rescheduling and Restructuring
EVE	Economic Value of Equity	RSME	Retail Small and Medium Sized Enterprises
F-IRB	Foundation Internal Ratings-Based Approach	RWCAF	Risk-Weighted Capital Adequacy Framework
Fitch	Fitch Ratings	RWA	Risk-Weighted Assets
FX	Foreign Exchange	SA	Standardised Approach
GBP	Pound Sterling	SCR	Shariah Committee of RHB Islamic Bank
GCC	Group Credit Committee	SGD	Singapore Dollar
GCG	Group Credit Guidelines	S&P	Standard & Poor's
GCPM	Group Credit Procedures Manual	USD	US Dollar
GCRC	Group Capital and Risk Committee	VaR	Value-at-Risk
GIUC	Group Investment Underwriting Committee		
Group ALCO	Group Asset and Liability Committee		
Group ALM	Group Asset and Liability Management		

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