

RHB ISLAMIC BANK BERHAD
(Incorporated in Malaysia)
Registration No. 200501003283 (680329-V)

INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
ASSETS			
Cash and short-term funds		1,372,302	1,221,961
Securities purchased under resale agreements	9	4,657,644	2,698,958
Deposits and placements with banks and other financial institutions	10	-	224,224
Financial assets at fair value through profit or loss ('FVTPL')	11	496,021	135,168
Financial assets at fair value through other comprehensive income ('FVOCI')	12	8,752,865	7,828,798
Financial investments at amortised cost	13	9,289,768	9,920,794
Financing and advances	14	99,442,774	90,125,549
Other assets	15	242,869	151,993
Derivative assets		643,588	602,317
Statutory deposits		850,000	1,582,000
Deferred tax assets		235,642	83,650
Right-of-use assets		-	1,070
Property, plant and equipment		4,488	4,739
Intangible assets		5,861	4,565
TOTAL ASSETS		125,993,822	114,585,786
LIABILITIES AND EQUITY			
Deposits from customers	16	95,599,207	88,606,492
Deposits and placements of banks and other financial institutions	17	7,243,268	7,573,936
Obligations on securities sold under repurchase agreements		531,451	-
Investment accounts	18	6,730,880	5,899,679
Bills and acceptances payable		2,205	2,705
Other liabilities	19	3,125,556	2,308,882
Derivative liabilities		804,905	444,374
Recourse obligation on financing sold to Cagamas Berhad ('Cagamas')		2,772,403	1,204,334
Provision for taxation and zakat		73,745	63,237
Lease liabilities		-	1,080
Borrowings		915,856	786,022
Subordinated obligations		760,278	757,152
TOTAL LIABILITIES		118,559,754	107,647,893
Share capital		1,673,424	1,673,424
Reserves		5,760,644	5,264,469
TOTAL EQUITY		7,434,068	6,937,893
TOTAL LIABILITIES AND EQUITY		125,993,822	114,585,786
COMMITMENTS AND CONTINGENCIES	28	73,289,401	63,432,984

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2024.

RHB ISLAMIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
AUDITED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	<u>4th Quarter Ended</u>		<u>Twelve Months Ended</u>	
		<u>31 December</u>	<u>31 December</u>	<u>31 December</u>	<u>31 December</u>
		<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income derived from investment of depositors' funds	20	1,261,903	1,193,574	5,037,775	4,583,111
Income derived from investment of investment account funds	21	96,903	86,599	367,217	319,118
Income derived from investment of shareholders' funds	22	155,953	112,765	478,470	438,011
Allowance for credit losses on financial assets	23	(20,277)	(20,627)	(262,458)	(161,296)
Total distributable income		1,494,482	1,372,311	5,621,004	5,178,944
Income attributable to depositors	24	(843,986)	(830,650)	(3,409,071)	(3,141,556)
Profit distributed to investment account holders		(61,542)	(56,229)	(238,287)	(229,151)
		588,954	485,432	1,973,646	1,808,237
Personnel expenses	25	(6,769)	(8,419)	(26,622)	(25,340)
Other overheads and expenditures	26	(249,196)	(187,044)	(885,195)	(719,363)
Profit before taxation and zakat		332,989	289,969	1,061,829	1,063,534
Taxation and zakat		(84,734)	(59,816)	(267,114)	(253,756)
Net profit for the financial period/year		248,255	230,153	794,715	809,778
Basic earnings per share (sen)	27	14.84	13.75	47.49	48.39

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2024.

RHB ISLAMIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	<u>4th Quarter Ended</u>		<u>Twelve Months Ended</u>	
	<u>31 December</u> <u>2025</u> <u>RM'000</u>	31 December 2024 RM'000	<u>31 December</u> <u>2025</u> <u>RM'000</u>	31 December 2024 RM'000
Net profit for the financial period/year	<u>248,255</u>	230,153	<u>794,715</u>	<u>809,778</u>
Other comprehensive income/(loss) in respect of:				
Items that will be reclassified subsequently to profit or loss:				
Debt instruments measured at FVOCI:				
- Unrealised net gain/(loss) on revaluation	(27,211)	(33,929)	112,168	19,800
- Net transfer to income statement on disposal	(9,692)	(4,709)	(44,095)	(20,115)
- Changes in expected credit losses	315	(309)	1,360	(529)
Income tax relating to components of other comprehensive (income)/loss	<u>8,856</u>	9,274	<u>(16,339)</u>	<u>76</u>
Other comprehensive income/(loss), net of tax, for the financial period/year	<u>(27,732)</u>	(29,673)	<u>53,094</u>	(768)
Total comprehensive income for the financial period/year	<u><u>220,523</u></u>	<u>200,480</u>	<u><u>847,809</u></u>	<u>809,010</u>

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2024.

RHB ISLAMIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Non distributable			Capital contribution	Distributable	
	Share capital	FVOCI reserve	Regulatory reserve	by holding company	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2025	1,673,424	(36,943)	533,757	1,775	4,765,880	6,937,893
Net profit for the financial year	-	-	-	-	794,715	794,715
Other comprehensive income/(loss):						
Debt instruments measured at FVOCI:						
- Unrealised net gain on revaluation	-	112,168	-	-	-	112,168
- Net transfer to income statement on disposal	-	(44,095)	-	-	-	(44,095)
- Changes in expected credit losses	-	1,360	-	-	-	1,360
Income tax relating to components of other comprehensive income	-	(16,339)	-	-	-	(16,339)
Other comprehensive income, net of tax, for the financial year	-	53,094	-	-	-	53,094
Total comprehensive income for the financial year	-	53,094	-	-	794,715	847,809
Dividend paid	-	-	-	-	(351,419)	(351,419)
Share-based payment expenses	-	-	-	566	-	566
Equity settlement with holding company under Share Grant Scheme ('SGS')	-	-	-	(781)	-	(781)
Transfer to regulatory reserve	-	-	23,314	-	(23,314)	-
Balance as at 31 December 2025	1,673,424	16,151	557,071	1,560	5,185,862	7,434,068

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INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Non distributable			Distributable		Total
	Share capital RM'000	FVOCI reserve RM'000	Regulatory reserve RM'000	Capital contribution by holding company RM'000	Retained profits RM'000	
Balance as at 1 January 2024	1,673,424	(36,175)	640,210	798	4,201,068	6,479,325
Net profit for the financial year	-	-	-	-	809,778	809,778
Other comprehensive income/(loss):						
Debt instruments measured at FVOCI:						
- Unrealised net gain on revaluation	-	19,800	-	-	-	19,800
- Net transfer to income statement on disposal	-	(20,115)	-	-	-	(20,115)
- Changes in expected credit losses	-	(529)	-	-	-	(529)
Income tax relating to components of other comprehensive loss	-	76	-	-	-	76
Other comprehensive loss, net of tax, for the financial year	-	(768)	-	-	-	(768)
Total comprehensive (loss)/income for the financial year	-	(768)	-	-	809,778	809,010
Dividend paid	-	-	-	-	(351,419)	(351,419)
Share-based payment expenses	-	-	-	977	-	977
Transfer from regulatory reserve	-	-	(106,453)	-	106,453	-
Balance as at 31 December 2024	1,673,424	(36,943)	533,757	1,775	4,765,880	6,937,893

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RHB ISLAMIC BANK BERHAD
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INTERIM FINANCIAL STATEMENTS
AUDITED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	<u>Twelve Months Ended</u>	
	<u>31 December 2025</u>	<u>31 December 2024</u>
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	1,061,829	1,063,534
Adjustments for non-cash items	(517,747)	(418,979)
Operating profit before changes in working capital	544,082	644,555
Changes in working capital:		
Net changes in operating assets	(10,443,322)	(9,501,611)
Net changes in operating liabilities	12,132,236	6,474,140
Cash generated from/(used in) operations	2,232,996	(2,382,916)
Profit paid	(69,269)	(78,424)
Zakat paid	(12,000)	(10,000)
Tax paid	(412,936)	(222,841)
Net cash generated from/(used in) operating activities	<u>1,738,791</u>	<u>(2,694,181)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment:		
- Purchase	(1,333)	(1,091)
- Proceeds from disposal	-	502
Intangible assets:		
- Purchase	(2,445)	(494)
- Proceeds from disposal	-	9
Net purchase of financial assets at FVOCI and financial investments at amortised cost	(1,422,202)	(2,709,245)
Investment income received from financial assets at FVOCI and financial investments at amortised cost	657,418	508,334
Net cash used in investing activities	<u>(768,562)</u>	<u>(2,201,985)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal lease payment	(1,080)	(1,004)
Drawdown of borrowings	925,490	-
Repayment of borrowings	(723,863)	-
Dividend paid	(351,419)	(351,419)
Issuance of subordinated sukuk	-	500,000
Redemption of subordinated sukuk	-	(500,000)
Net cash used in financing activities	<u>(150,872)</u>	<u>(352,423)</u>
Net increase/(decrease) in cash and cash equivalents	819,357	(5,248,589)
Cash and cash equivalents at the beginning of the financial year	552,945	5,801,534
Cash and cash equivalents at the end of the financial year	<u>1,372,302</u>	<u>552,945</u>
Cash and cash equivalents comprise the following:		
- Cash and short-term funds	1,372,302	1,221,961
- Deposits and placements with banks and other financial institutions	-	224,224
	<u>1,372,302</u>	<u>1,446,185</u>
Less:		
- Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than one month	-	(893,240)
	<u>1,372,302</u>	<u>552,945</u>

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NOTES TO THE AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

1 BASIS OF PREPARATION

The interim financial statements are audited and have been prepared in compliance with Malaysian Financial Reporting Standard ('MFRS') 134, 'Interim Financial Reporting' issued by Malaysian Accounting Standards Board ('MASB') and should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2024.

The accounting policies and presentation adopted by the Bank for the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2024, except for the adoption of the following accounting standards, annual improvements and amendments to MFRS which are effective and applicable for the Bank for current financial year beginning on or after 1 January 2025:

- Amendments to MFRS 121 'Lack of Exchangeability'

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

2 AUDITORS' REPORT

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

3 SEASONAL OR CYCLICAL ITEMS

The business operations of the Bank have not been affected by any material seasonal or cyclical factors.

4 EXCEPTIONAL OR UNUSUAL ITEMS

There were no exceptional or unusual items for the financial year ended 31 December 2025.

5 CHANGES IN ESTIMATES

There were no material changes in estimates of amounts reported in prior financial years that have a material effect for the financial year ended 31 December 2025.

6 CHANGES IN DEBT AND EQUITY SECURITIES

There were no issuances and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial year ended 31 December 2025.

7 DIVIDEND PAID/DECLARED

- (a) A single-tier second interim dividend of 13.0 sen per share in respect of the financial year ended 31 December 2024, amounting to RM217,545,000 on 26 March 2025;
- (b) A single-tier interim dividend of 8.0 sen per share in respect of the financial year ended 31 December 2025, amounting to RM133,874,000 on 26 September 2025; and
- (c) The Directors declared a single-tier second interim dividend of 13.0 sen per share amounting to RM217,545,000 in respect of the financial year ended 31 December 2025. The financial statements for the current financial year do not reflect this single-tier second interim dividend. This dividend payment will be accounted for in the shareholder's equity as an appropriation of retained profits in the financial year ending 31 December 2026.

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NOTES TO THE AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

8 INVESTMENT ACCOUNTS ('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:

- Mudharabah between two parties, customer and the Bank, to finance a business venture where the customer provides capital and the business venture is managed solely by the Bank. The profit of the business venture will be shared based on pre-agreed ratios with the Bank as Mudharib (manager or manager of funds), and losses shall be borne solely by customers.
- 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 the Bank's misconduct, negligence or breach of specified terms in the contract between the investors and the Bank.
- Details of the IA are as disclosed in Note 18.

9 SECURITIES PURCHASED UNDER RESALE AGREEMENTS

	As at 31 December 2025	As at 31 December 2024
	RM'000	RM'000
At amortised cost		
Malaysian Government Investment Issues	2,231,702	967,507
Islamic Khazanah bonds	158,108	-
Corporate sukuk	2,267,834	1,731,451
	4,657,644	2,698,958

10 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 31 December 2025	As at 31 December 2024
	RM'000	RM'000
Licensed Islamic banks	-	224,224

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**NOTES TO THE AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

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

	As at 31 December 2025	As at 31 December 2024
	RM'000	RM'000
Mandatory measured at fair value		
<u>Money market instruments:</u>		
Malaysian Government Investment Issues	257,868	135,168
Cagamas bonds	15,382	-
<u>Unquoted securities:</u>		
<u>In Malaysia</u>		
Corporate sukuk	222,771	-
	496,021	135,168

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

	As at 31 December 2025	As at 31 December 2024
	RM'000	RM'000
At fair value		
Debt instruments	8,752,865	7,828,798
<u>Money market instruments:</u>		
Malaysian Government Investment Issues	3,214,481	3,448,824
Islamic Cagamas bonds	256,038	559,401
<u>Unquoted securities:</u>		
<u>In Malaysia</u>		
Corporate sukuk	5,282,346	3,820,573
	8,752,865	7,828,798

(a) Movement in allowance for credit losses recognised in FVOCI reserve

	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
31 December 2025				
Balance as at the beginning of the financial year	1,628	-	-	1,628
Changes in credit risk	84	-	-	84
Purchases and origination	1,903	-	-	1,903
Changes to model methodologies	88	-	-	88
Derecognition and disposal	(715)	-	-	(715)
Balance as at the end of the financial year	2,988	-	-	2,988
31 December 2024				
Balance as at the beginning of the financial year	2,157	-	-	2,157
Changes in credit risk	(315)	-	-	(315)
Purchases and origination	450	-	-	450
Derecognition and disposal	(664)	-	-	(664)
Balance as at the end of the financial year	1,628	-	-	1,628

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**NOTES TO THE AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

13 FINANCIAL INVESTMENTS AT AMORTISED COST

	As at 31 December 2025	As at 31 December 2024
	RM'000	RM'000
At amortised cost		
<u>Money market instruments:</u>		
Malaysian Government Investment Issues	2,592,547	2,005,330
Islamic Cagamas bonds	410,916	466,251
Islamic Khazanah bonds	45,283	43,414
<u>Unquoted securities:</u>		
<u>In Malaysia</u>		
Corporate sukuk	6,216,946	7,385,310
<u>Outside Malaysia</u>		
Corporate sukuk	30,394	30,408
	9,296,086	9,930,713
Fair value changes arising from fair value hedge	645	(2,458)
	9,296,731	9,928,255
Allowance for credit losses	(6,963)	(7,461)
	9,289,768	9,920,794

Included in financial investments at amortise costs of the Bank are:

- (i) Debt instruments, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM551,325,000 (2024: RMNil).
- (ii) Exposure to RA as part of arrangement between the Bank and its holding company, RHB Bank Berhad ('RHB Bank') and the investor.

Gross exposure to RA financing as at 31 December 2025 is RMNil (2024: RM1,423,014,000), of which RMNil (2024: RM973,023,000) is funded by RHB Bank.

The portfolio expected credit losses for financial investments at amortised cost relating to RA is borne solely by RHB Bank and the investor and the amount recognised in the financial statements of RHB Bank is RMNil as at 31 December 2025 (2024: RM534,533,000).

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

	As at 31 December 2025	As at 31 December 2024
	RM'000	RM'000
Balance as at the beginning of the financial year	1,304,191	1,235,225
Purchases and origination	-	68,966
Derecognition	(1,304,191)	-
Balance as at the end of the financial year	-	1,304,191

Under the existing Restricted Profit Sharing Investment Account ('RPSIA') arrangement, the Bank held credit-impaired corporate sukuk exposure amounting to RMNil (2024: RM1,304,191,000, of which RHB Bank: RM740,022,000 and the investor: RM564,169,000 respectively).

During the financial year, a debt restructuring scheme ('scheme') was implemented to regularise the credit-impaired corporate sukuk obligation by the issuer. Due to the restructuring scheme, the Bank and the investor had terminated the RPSIA, and all credit-impaired corporate sukuk were returned to RHB Bank and the investor as per the RPSIA arrangement.

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13 FINANCIAL INVESTMENTS AT AMORTISED COST (CONTINUED)

(b) 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
31 December 2025				
Balance as at the beginning of the financial year	7,461	-	-	7,461
Changes in credit risk	(578)	-	-	(578)
Purchases and origination	355	-	-	355
Changes to model methodologies	295	-	-	295
Derecognition	(570)	-	-	(570)
Balance as at the end of the financial year	<u>6,963</u>	<u>-</u>	<u>-</u>	<u>6,963</u>
31 December 2024				
Balance as at the beginning of the financial year	5,514	-	-	5,514
Changes in credit risk	1,182	-	-	1,182
Purchases and origination	2,056	-	-	2,056
Derecognition	(1,291)	-	-	(1,291)
Balance as at the end of the financial year	<u>7,461</u>	<u>-</u>	<u>-</u>	<u>7,461</u>

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NOTES TO THE AUDITED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

14 FINANCING AND ADVANCES

	Bai' Bithaman Ajil ('BBA') RM'000	Ijarah * RM'000	Murabahah RM'000	Musyarakah RM'000	Qard RM'000	Others RM'000	Total RM'000
(i) By type and Shariah concepts							
31 December 2025							
At amortised cost							
Cashline	-	-	1,686,102	-	26,363	-	1,712,465
Term financing:							
- Housing financing	150,481	-	23,059,134	18,314,558	-	471	41,524,644
- Syndicated term financing	-	-	2,475,351	-	-	-	2,475,351
- Hire purchase receivables	-	13,186,885	-	-	-	-	13,186,885
- Other term financing	99	93,254	35,275,966	-	-	110	35,369,429
Bills receivables	-	-	2,270,080	-	-	-	2,270,080
Trust receipts	-	-	32,906	-	-	-	32,906
Share margin financing	-	-	33,878	-	-	-	33,878
Staff financing	357	-	33,202	-	-	-	33,559
Credit/charge card receivables ^	-	-	574,119	-	-	-	574,119
Revolving financing	-	-	3,007,253	-	-	-	3,007,253
Gross financing and advances	150,937	13,280,139	68,447,991	18,314,558	26,363	581	100,220,569
Fair value changes arising from fair value hedge							(20,718)
							100,199,851
Allowance for credit losses							(757,077)
Net financing and advances							99,442,774

* The Bank is the owner of the assets throughout the tenure of the Ijarah financing. The ownership of the assets will be transferred to the customers via sale at the end of the Ijarah financing.

^ Effective 18 December 2025, the Bank transitioned the credit card from Ujrah to Tawarruq concept (via Commodity Murabahah) in accordance with Shariah requirements.

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14 FINANCING AND ADVANCES (CONTINUED)

	Bai' Bithaman Ajil ('BBA')	Ijarah *	Murabahah	Musyarakah	Qard	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(i) By type and Shariah concepts (continued)							
31 December 2024							
At amortised cost							
Cashline	-	-	1,577,552	-	32,880	-	1,610,432
Term financing:							
- Housing financing	176,958	-	20,905,321	16,110,327	-	539	37,193,145
- Syndicated term financing	-	-	2,203,832	-	-	-	2,203,832
- Hire purchase receivables	-	12,063,031	-	-	-	-	12,063,031
- Other term financing	99	90,397	32,320,488	-	-	10	32,410,994
Bills receivables	-	-	1,540,862	-	-	-	1,540,862
Trust receipts	-	-	41,318	-	-	-	41,318
Claims on customers under acceptance credits	-	-	412,398	-	-	-	412,398
Share margin financing	-	-	21,803	-	-	-	21,803
Staff financing	532	-	27,448	-	-	-	27,980
Credit/charge card receivables	-	-	-	-	-	451,784	451,784
Revolving financing	-	-	2,812,480	-	-	-	2,812,480
Gross financing and advances	177,589	12,153,428	61,863,502	16,110,327	32,880	452,333	90,790,059
Fair value changes arising from fair value hedge							(41,775)
							90,748,284
Allowance for credit losses							(622,735)
Net financing and advances							90,125,549

* The Bank is the owner of the assets throughout the tenure of the Ijarah financing. The ownership of the assets will be transferred to the customers via sale at the end of the Ijarah financing.

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14 FINANCING AND ADVANCES (CONTINUED)

(i) By type and Shariah concepts (continued)

- (a) Included in financing and advances are exposures to RA and UA as part of arrangement between the Bank and its holding company, RHB Bank and other investors ('the investors').

As at 31 December 2025, gross exposure to RA financing funded by RHB Bank is RM6,583,468,000 (2024: RM3,559,192,000) and gross exposure to UA financing funded by the investors is RM11,000,000 (2024: RM685,100,000).

The portfolio expected credit losses for financing and advances relating to RA and UA is borne solely by RHB Bank and the investors and the amount recognised in the financial statements of RHB Bank is RM66,654,000 as at 31 December 2025 (2024: RM8,485,000).

- (b) Included in term financing is housing financing sold to Cagamas amounting to RM2,643,734,000 as at 31 December 2025 (2024: RM1,167,827,000).

(c) Movement of Qard financing

	As at 31 December 2025	As at 31 December 2024
	RM'000	RM'000
Balance as at the beginning of the financial year	32,880	40,286
New disbursement	17,314	25,610
Repayment	(23,831)	(33,016)
Balance as at the end of the financial year	<u>26,363</u>	<u>32,880</u>
Sources of Qard fund:		
- Depositors' fund	<u>26,363</u>	<u>32,880</u>
Uses of Qard fund:		
- Personal use	321	342
- Business purpose	<u>26,042</u>	<u>32,538</u>
	<u>26,363</u>	<u>32,880</u>

(ii) By type of customer

Domestic non-bank financial institutions	2,833,520	2,023,207
Domestic business enterprises:		
- Small and medium enterprises	10,684,280	10,370,679
- Others	11,096,754	10,608,539
Government and statutory bodies	7,369,559	6,868,830
Individuals	66,492,312	60,031,201
Other domestic entities	112,269	111,573
Foreign entities	1,631,875	776,030
	<u>100,220,569</u>	<u>90,790,059</u>

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14 FINANCING AND ADVANCES (CONTINUED)

	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
(iii) By profit rate sensitivity		
Fixed rate:		
- Housing financing	33,202	27,448
- Hire-purchase receivables	225,592	190,269
- Other fixed rate financing	11,701,622	10,220,725
Variable rate:		
- Base financing rate-plus	74,312,030	66,722,057
- Cost-plus	13,948,123	13,629,560
	<u>100,220,569</u>	<u>90,790,059</u>
(iv) By economic sector		
Agriculture, hunting, forestry and fishing	1,668,448	1,777,543
Mining and quarrying	136,494	103,731
Manufacturing	2,802,377	2,954,530
Electricity, gas and water	308,479	222,392
Construction	2,575,877	3,663,746
Wholesale and retail trade and restaurant and hotel	4,766,296	4,815,320
Transport, storage and communication	1,902,925	2,468,511
Finance, insurance, real estate and business services	11,331,204	7,253,112
Education, health and others	7,803,392	7,131,013
Household sector	66,925,077	60,400,161
	<u>100,220,569</u>	<u>90,790,059</u>
(v) By purpose		
Purchase of securities	6,086,451	5,341,379
Purchase of transport vehicles	13,214,564	12,073,179
Purchase of landed property:		
- Residential	39,967,771	35,804,145
- Non-residential	5,813,116	5,766,709
Purchase of property, plant and equipment other than land and building	130,870	258,525
Personal use	7,244,177	6,803,551
Credit card	574,119	451,784
Construction	1,632,462	1,467,639
Working capital	16,412,843	16,844,420
Merger and acquisition	75,067	87,273
Other purposes	9,069,129	5,891,455
	<u>100,220,569</u>	<u>90,790,059</u>

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14 FINANCING AND ADVANCES (CONTINUED)

	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
(vi) By geographical distribution		
In Malaysia	<u>100,220,569</u>	<u>90,790,059</u>
(vii) By remaining contractual maturities		
Maturing within one year	10,048,493	9,792,188
More than one year to three years	3,413,969	2,996,578
More than three years to five years	13,074,307	8,238,889
Over five years	<u>73,683,800</u>	<u>69,762,404</u>
	<u>100,220,569</u>	<u>90,790,059</u>
(viii) Impaired financing and advances		
(a) Movement in impaired financing and advances		
Balance as at the beginning of the financial year	852,536	1,216,853
Transfer to 12-month ECL (Stage 1)	(37,613)	(40,799)
Transfer to lifetime ECL not credit impaired (Stage 2)	(137,502)	(529,333)
Transfer to lifetime ECL credit impaired (Stage 3)	579,700	441,457
Purchases and origination	125,587	81,400
Derecognition	(77,421)	(74,696)
Amount written off	(196,228)	(231,794)
Other movements	277	(10,552)
Balance as at the end of the financial year	<u>1,109,336</u>	<u>852,536</u>
(b) By economic sector		
Agriculture, hunting, forestry and fishing	5,650	3,892
Mining and quarrying	2,548	2,489
Manufacturing	32,661	26,436
Electricity, gas and water	79,025	6,123
Construction	24,309	15,663
Wholesale and retail trade and restaurant and hotel	131,187	96,755
Transport, storage and communication	11,959	20,681
Finance, insurance, real estate and business services	61,219	67,287
Education, health and others	130,960	88,742
Household sector	<u>629,818</u>	<u>524,468</u>
	<u>1,109,336</u>	<u>852,536</u>

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14 FINANCING AND ADVANCES (CONTINUED)

(viii) Impaired financing and advances (continued)

	As at	As at
	31 December	31 December
	2025	2024
	RM'000	RM'000
 (c) By purpose		
Purchase of securities	804	888
Purchase of transport vehicles	57,035	55,109
Purchase of landed property:		
- Residential	504,390	412,048
- Non-residential	208,984	155,400
Purchase of property, plant and equipment other than land and building	1	6
Personal use	62,677	50,194
Credit card	5,017	4,149
Construction	12,778	-
Working capital	237,604	166,528
Merger and acquisition	1,122	108
Other purposes	18,924	8,106
	1,109,336	852,536
 (d) By geographical distribution		
In Malaysia	1,109,336	852,536

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14 FINANCING AND ADVANCES (CONTINUED)

(viii) Impaired financing and advances (continued)

(e) Movement in allowance for credit losses

	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
31 December 2025	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial year	133,953	236,111	252,671	622,735
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	54,727	(42,211)	(12,516)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(9,442)	53,652	(44,210)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(1,000)	(27,154)	28,154	-
	44,285	(15,713)	(28,572)	-
Changes in credit risk	(75,480)	(19,641)	257,405	162,284
Purchases and origination	56,702	9,945	6,194	72,841
Bad debts written off	-	-	(129,252)	(129,252)
Changes to model methodologies	50,691	21,895	(3,090)	69,496
Derecognition	(6,285)	(9,313)	(25,706)	(41,304)
Other movements	-	-	277	277
Balance as at the end of the financial year	203,866	223,284	329,927	757,077

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14 FINANCING AND ADVANCES (CONTINUED)

(viii) Impaired financing and advances (continued)

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

	12-month ECL (Stage 1)	Lifetime ECL not credit impaired (Stage 2)	Lifetime ECL credit impaired (Stage 3)	Total
31 December 2024	RM'000	RM'000	RM'000	RM'000
Balance as at the beginning of the financial year	110,166	171,483	361,064	642,713
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	68,856	(53,885)	(14,971)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(10,017)	120,866	(110,849)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(1,176)	(18,013)	19,189	-
	57,663	48,968	(106,631)	-
Changes in credit risk	(55,876)	16,499	191,794	152,417
Purchases and origination	27,029	8,107	7,074	42,210
Bad debts written off	-	-	(158,884)	(158,884)
Derecognition	(5,029)	(8,946)	(31,194)	(45,169)
Other movements	-	-	(10,552)	(10,552)
Balance as at the end of the financial year	<u>133,953</u>	<u>236,111</u>	<u>252,671</u>	<u>622,735</u>

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15 OTHER ASSETS

	Note	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
Prepayments		60,265	37,272
Deposits		775	914
Amount due from other related companies		215	116
Other receivables	(a)	181,614	113,691
		242,869	151,993

(a) This is stated net of allowance for impairment losses of RM5,800,000 (2024: RMNil)

16 DEPOSITS FROM CUSTOMERS

	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
<u>Savings Deposits</u>		
Qard	1,298,698	1,309,272
Commodity Murabahah	1,780,781	1,561,607
<u>Demand Deposits</u>		
Qard	9,613,991	7,594,906
Commodity Murabahah	6,869,839	5,239,474
<u>Term Deposits</u>		
Commodity Murabahah	58,805,244	58,106,005
<u>Specific Investment Account</u>		
Commodity Murabahah	17,230,654	14,795,149
<u>General Investment Account</u>		
Mudharabah	-	79
	95,599,207	88,606,492

(a) The maturity structure of investment accounts and term deposits are as follows:

Due within six months	61,622,978	56,426,333
More than six months to one year	13,050,755	14,977,133
More than one year to three years	1,352,548	1,440,593
More than three years to five years	9,617	57,174
	76,035,898	72,901,233

(b) The deposits are sourced from the following classes of customers:

Government and statutory bodies	17,596,994	17,386,619
Business enterprises	40,544,807	36,144,751
Individuals	36,784,179	34,488,381
Others	673,227	586,741
	95,599,207	88,606,492

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17 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Note	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
<u>Non-Mudharabah Funds:</u>			
Licensed Islamic banks		415,158	-
Licensed banks		5,844,922	6,391,214
BNM/Other central bank	(a)	<u>883,172</u>	<u>1,021,253</u>
		<u>7,143,252</u>	<u>7,412,467</u>
<u>Mudharabah Funds:</u>			
Other financial institutions		<u>100,016</u>	<u>161,469</u>
		<u>7,243,268</u>	<u>7,573,936</u>

(a) Included in deposits and placements with BNM is an amount received under the Government scheme as part of the COVID-19 relief measures for the purpose of financing to SMEs at a concessionary rate and with six-year maturity period.

18 INVESTMENT ACCOUNTS

	Note	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
Restricted Investment Account	(a)		
- Mudharabah		2,849,513	3,701,137
- Wakalah		<u>3,870,363</u>	<u>1,503,811</u>
		<u>6,719,876</u>	<u>5,204,948</u>
Unrestricted Investment Account	(b)		
- Wakalah		<u>11,004</u>	<u>694,731</u>
		<u>6,730,880</u>	<u>5,899,679</u>

(a) Restricted Investment Account

By type of counterparty:

Licensed banks	<u>6,719,876</u>	<u>5,204,948</u>
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Investment assets (principal):

Personal financing (Note 14 (i)(a))	3,050,000	1,500,000
Other term financing (Note 14 (i)(a))	3,533,468	2,059,192
Unquoted securities (Note 13)	-	1,423,014
	<u>6,583,468</u>	<u>4,982,206</u>

As at 31 December 2025, the amount of the restricted investment account placed by the holding company, RHB Bank, amounted to RM6,719,876,000 (2024: RM4,640,875,000).

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18 INVESTMENT ACCOUNTS (CONTINUED)

	As at 31 December 2025	As at 31 December 2024
	RM'000	RM'000
(b) Unrestricted Investment Account		
<u>By type of counterparty:</u>		
Business enterprises	11,004	694,731
<u>Investment asset (principal):</u>		
Personal financing (Note 14 (i)(a))	8,800	548,080
Housing financing (Note 14 (i)(a))	2,200	137,020
	11,000	685,100

19 OTHER LIABILITIES

	Note	As at 31 December 2025	As at 31 December 2024
		RM'000	RM'000
Sundry creditors		37,426	19,793
Amount due to holding company		542,646	1,035,533
Amount due to other related companies		6,436	761
Contract liability	(a)	659,958	22,624
Short-term employee benefits		4,181	5,126
Accrual for operational expenses		14,939	10,893
Cash collateral pledged for derivative transactions		73,577	32,893
Structured deposits	(b)	1,182,302	999,420
Other accruals and payables		604,091	181,839
		3,125,556	2,308,882

(a) Contract liabilities represent fee income and fee advances received from a 20-year bancassurance/bancatakaful partnership commencing from 1 August 2025 and will be amortised as revenue in the income statements over the term of the agreement. During the current financial year, an amount of RM36,665,000 (2024: RM36,032,000) has been recognised in the income statements.

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

- One year to three years	25,537	28,573
- More than three years	1,156,765	970,847
	1,182,302	999,420

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20 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

	4th Quarter Ended		Twelve Months Ended	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(i) General investment deposits	-	1	-	3
(ii) Other deposits	1,261,903	1,193,573	5,037,775	4,583,108
	1,261,903	1,193,574	5,037,775	4,583,111
(i) Income derived from investment of general investment deposits:				
Financing and advances	-	1	-	3
Total finance income and hibah	-	1	-	3
(ii) Income derived from investment of other deposits:				
Financing and advances	1,031,457	1,025,084	4,184,510	3,943,113
Securities purchased under resale agreements	35,087	7,029	108,533	36,176
Financial assets at FVTPL	4,522	2,284	16,128	13,550
Financial assets at FVOCI	75,267	69,243	285,835	250,484
Financial investments at amortised cost	90,566	70,920	332,515	259,956
Money at call and deposits with banks and other financial institutions	3,312	16,196	37,340	49,962
Total finance income and hibah	1,240,211	1,190,756	4,964,861	4,553,241
Other operating income (Note a)	21,692	2,817	72,914	29,867
	1,261,903	1,193,573	5,037,775	4,583,108
Of which:				
Financing income earned on impaired financing	9,650	7,950	38,971	32,456
(a) Other operating income comprise of:				
Fee income:				
- Commission	93	782	4,235	9,611
- Guarantee fees	1,530	(276)	11,837	1,919
	1,623	506	16,072	11,530
Net loss on revaluation of financial assets at FVTPL	(1,177)	(577)	(2,325)	(508)
Net gain/(loss) on disposal of financial assets at FVTPL	125	(1,762)	4,223	(908)
Net gain on disposal of debt instruments of financial assets at FVOCI	9,532	4,650	43,355	19,740
Net gain arising from derecognition of financial investments at amortised cost	11,589	-	11,589	13
	21,692	2,817	72,914	29,867

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21 INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS

	<u>4th Quarter Ended</u>		<u>Twelve Months Ended</u>	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RM'000	RM'000	RM'000	RM'000
Financing and advances	95,719	62,808	295,574	223,180
Financial investments at amortised cost	1,184	23,791	71,643	94,109
Money at call and deposits with banks and other financial institutions and other financial institutions	-	-	-	1,829
Total finance income and hibah	96,903	86,599	367,217	319,118

22 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	<u>4th Quarter Ended</u>		<u>Twelve Months Ended</u>	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	RM'000	RM'000	RM'000	RM'000
Financing and advances	17,363	13,860	71,402	74,888
Securities purchased under resale agreements	593	77	1,852	687
Financial assets at FVTPL	76	21	275	257
Financial assets at FVOCI	1,268	967	4,878	4,757
Financial investments at amortised cost	1,528	983	5,675	4,937
Money at call and deposits with banks and other financial institutions	54	243	637	949
Total finance income and hibah	20,882	16,151	84,719	86,475
Other operating income (Note a)	135,071	96,614	393,751	351,536
	155,953	112,765	478,470	438,011

Of which:

Financing income earned on impaired financing	162	103	665	616
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(a) Other operating income comprise of:

Fee income:				
- Commission	19,327	22,080	64,629	67,928
- Service charges and fees	68,660	30,140	164,972	107,052
- Guarantee fees	25	(10)	202	36
	88,012	52,210	229,803	175,016

Net loss on revaluation of financial assets at FVTPL (20) (12) (40) (10)

Net gain/(loss) on disposal of financial assets at FVTPL 2 (35) 72 (17)

Net gain on disposal of debt instruments of
financial investments at FVOCI 160 59 740 375

Net gain arising from derecognition of financial
investments at amortised cost 198 - 198 -

Net gain on revaluation of derivatives 12,035 6,893 34,520 37,212

Net gain/(loss) on fair value hedges (93) 74 133 780

Net gain on derecognition of hedging - 192 - 468

Other income:

- Foreign exchange gain 40,638 41,570 149,901 151,536

- Gain on modification of right-of-use assets - - 10 -

- Other non-operating loss (5,861) (4,337) (21,586) (13,824)

135,071 96,614 393,751 351,536

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23 ALLOWANCE FOR CREDIT LOSSES ON FINANCIAL ASSETS

	<u>4th Quarter Ended</u>		<u>Twelve Months Ended</u>	
	31 December	31 December	31 December	31 December
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Charge/(Writeback)</u>				
Financing and advances:				
- Net charge	19,781	20,767	263,317	149,458
- Bad debts recovered	(20,215)	(16,490)	(74,154)	(53,899)
- Bad debts written off	17,957	17,988	66,624	64,481
	17,523	22,265	255,787	160,040
Financial assets at FVOCI	315	(309)	1,360	(529)
Financial investments at amortised cost	(3,316)	(1,190)	(498)	1,947
Other financial assets	5,755	(139)	5,809	(162)
	<u>20,277</u>	<u>20,627</u>	<u>262,458</u>	<u>161,296</u>

24 INCOME ATTRIBUTABLE TO DEPOSITORS

	<u>4th Quarter Ended</u>		<u>Twelve Months Ended</u>	
	31 December	31 December	31 December	31 December
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Deposits from customers:				
- Mudharabah funds	15,335	11,647	51,490	43,164
- Non-Mudharabah funds	714,254	702,769	2,875,564	2,717,391
Deposits and placements of banks and other financial institutions:				
- Non-Mudharabah funds	61,997	74,324	286,402	214,760
Others:				
- Subordinated obligations	7,612	7,612	30,201	31,211
- Recourse obligation on financing sold to Cagamas	26,377	10,523	85,110	57,025
- Borrowings	8,316	11,459	37,852	48,972
- Obligations on securities sold under repurchase agreements	4,679	-	8,384	-
- Others	5,416	12,316	34,068	29,033
	<u>843,986</u>	<u>830,650</u>	<u>3,409,071</u>	<u>3,141,556</u>

25 PERSONNEL EXPENSES

	Note	<u>4th Quarter Ended</u>		<u>Twelve Months Ended</u>	
		31 December	31 December	31 December	31 December
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
Salaries, allowances and bonuses		5,047	6,808	20,306	18,944
Contributions to Employees' Provident Fund		827	952	3,319	2,965
Share-based expenses	(a)	281	294	566	977
Other staff related costs		614	365	2,431	2,454
		<u>6,769</u>	<u>8,419</u>	<u>26,622</u>	<u>25,340</u>

- (a) The Share Grant Scheme ("SGS") was established and implemented by the holding company, RHB 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 RHB Bank for eligible employees, which include certain employees of the Bank. The SGS 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.

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26 OTHER OVERHEADS AND EXPENDITURES

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<u>Establishment costs</u>				
Property, plant and equipment:				
- Depreciation	381	422	1,584	1,578
Computer software license:				
- Amortisation	300	281	1,149	1,106
Right-of-use assets:				
- Depreciation	-	254	271	1,016
Information technology expenses	490	785	1,412	1,734
Repair and maintenance	23	30	181	111
Rental of premises	155	158	678	690
Water and electricity	5	11	22	330
Rental of equipment	-	1	2	3
Printing and stationeries	1,863	1,725	6,665	5,850
Takaful	3,628	2,927	14,542	11,627
Others	1,286	918	3,811	2,628
	8,131	7,512	30,317	26,673
<u>Marketing expenses</u>				
Advertisement and publicity	1,619	1,299	2,727	1,670
Sales commission	4,693	5,742	23,177	20,357
Travelling expenses	98	89	270	268
Motor vehicle expenses	28	29	96	80
Others	2,906	1,651	15,940	10,070
	9,344	8,810	42,210	32,445
<u>Administration and general expenses</u>				
Communication expenses	1,810	2,700	8,933	9,019
Legal and professional fee	7,621	3,159	13,278	9,879
Management fee	213,495	161,844	762,678	629,708
Others	8,795	3,019	27,779	11,639
	231,721	170,722	812,668	660,245
	249,196	187,044	885,195	719,363

27 EARNINGS PER SHARE

	4th Quarter Ended		Twelve Months Ended	
	31 December	31 December	31 December	31 December
	2025	2024	2025	2024
Net profit for the financial period/year (RM'000)	248,255	230,153	794,715	809,778
Weighted average number of ordinary shares in issue ('000)	1,673,424	1,673,424	1,673,424	1,673,424
Basic earnings per share (sen)	14.84	13.75	47.49	48.39

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28 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to customers.

	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
Contingent liabilities		
Transaction-related contingent items	872,273	669,444
Short-term self-liquidating trade related contingencies	437,853	268,789
	<u>1,310,126</u>	<u>938,233</u>
Commitments		
Commitment to buy-back Islamic securities under Sell and Buy Back Agreement transactions *	562,648	-
Irrevocable commitments to extend credit:		
- Maturity less than one year	352,511	1,429,431
- Maturity more than one year	9,073,503	8,818,880
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	3,143,904	2,882,091
	<u>13,132,566</u>	<u>13,130,402</u>
Derivative financial instruments		
Foreign exchange related contracts ^:		
- Less than one year	40,026,041	36,442,116
- One year to less than five years	745,480	997,803
Profit rate related contracts ^:		
- Less than one year	915,000	655,000
- One year to less than five years	11,388,824	8,167,709
- More than five years	500,000	200,000
Commodity related contracts ^:		
- Less than one year	77,012	36,080
- One year to less than five years	21,352	100,641
	<u>53,673,709</u>	<u>46,599,349</u>
Securities financing transactions *		
- Less than one year	5,173,000	2,765,000
	<u>73,289,401</u>	<u>63,432,984</u>

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

* In accordance with BNM's Capital Adequacy Framework for Islamic Banks (Basel II – Risk Weighted Assets) ('CAFIB-RWA'), securities under a Sell and Buy Back Agreement ('SBBA') are undertaken based on outright purchase and sale transactions. Positions held under both SBBA and Reverse SBBA shall be subject to capital requirements based on the risk profile incurred by the parties involved, as outlined in Appendix XVIII of CAFIB-RWA.

The disclosure is presented in accordance with the BNM guideline on the Capital Adequacy Framework.

29 CAPITAL COMMITMENTS

	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
Capital expenditure for property, plant and equipment:		
- Authorised and contracted for	4,914	4,513

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30 FAIR VALUE OF FINANCIAL INSTRUMENTS

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:

	<u>Level 1</u> RM'000	<u>Level 2</u> RM'000	<u>Level 3</u> RM'000	<u>Total</u> RM'000
31 December 2025				
<u>Financial assets</u>				
Financial assets at FVTPL:	-	496,021	-	496,021
- money market instruments	-	273,250	-	273,250
- unquoted securities	-	222,771	-	222,771
Financial assets at FVOCI:	-	8,752,865	-	8,752,865
- money market instruments	-	3,470,519	-	3,470,519
- unquoted securities	-	5,282,346	-	5,282,346
Derivative assets	-	643,588	-	643,588
	-	9,892,474	-	9,892,474
<u>Financial liabilities</u>				
Derivative liabilities	-	804,905	-	804,905
31 December 2024				
<u>Financial assets</u>				
Financial assets at FVTPL:	-	135,168	-	135,168
- money market instruments	-	135,168	-	135,168
Financial assets at FVOCI:	-	7,828,798	-	7,828,798
- money market instruments	-	4,008,225	-	4,008,225
- unquoted securities	-	3,820,573	-	3,820,573
Derivative assets	-	602,317	-	602,317
	-	8,566,283	-	8,566,283
<u>Financial liabilities</u>				
Derivative liabilities	-	444,374	-	444,374

There were no transfers between Level 1 and 2 during the financial year.

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30 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(i) Valuation techniques and sensitivity analysis

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 are 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. This would include quoted securities.

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 Bank then determines 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.

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 non-transferable and non-tradable perpetual sukuk and impaired securities.

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31 CAPITAL ADEQUACY

BNM guidelines on capital adequacy requires the Bank 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.

The capital adequacy ratios of the Bank are as follows:

	As at 31 December 2025	As at 31 December 2024
	RM'000	RM'000
<u>Common Equity Tier I ('CET I') Capital /Tier I Capital</u>		
Share capital	1,673,424	1,673,424
Retained profits	5,185,862	4,765,880
Other reserve	1,560	1,775
FVOCI reserve	13,163	(38,571)
	6,874,009	6,402,508
Less:		
Deferred tax assets	(240,659)	(72,134)
Intangible assets (include associated deferred tax liabilities)	(5,005)	(3,903)
55% of cumulative gains arising from change in value of FVOCI instruments	(7,240)	-
Other deductions*	(15,818)	(352)
Total CET I/Total Tier I Capital	6,605,287	6,326,119
<u>Tier II Capital</u>		
Subordinated obligations	749,812	749,761
Surplus eligible provisions over expected losses	196,165	170,789
General provisions^	72,362	86,689
Total Tier II Capital	1,018,339	1,007,239
Total Capital	7,623,626	7,333,358
<u>Capital Ratios</u>		
Before proposed dividends:		
CET I Capital Ratio	15.443%	16.028%
Tier I Capital Ratio	15.443%	16.028%
Total Capital Ratio	17.823%	18.580%
After proposed dividends:		
CET I Capital Ratio	14.934%	15.477%
Tier I Capital Ratio	14.934%	15.477%
Total Capital Ratio	17.315%	18.029%

* Pursuant to the Basel II Market Risk para 5.18 and 5.19 – Valuation Adjustments, the Capital Adequacy Framework for Islamic Banks (Basel II - Risk Weighted Assets) calculation shall account for the ageing, liquidity and holding back adjustments/reserves on its trading portfolio.

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31 CAPITAL ADEQUACY (CONTINUED)

[^] Pursuant to BNM's policy document on 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 reserve, to the extent they are ascribed to non-credit-impaired exposures, determined under standardised approach for credit risk.

Includes the qualifying regulatory reserve of the Bank of RM62,064,000 (2024: RM68,891,000).

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

	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
Credit risk	44,828,821	38,636,523
Credit risk absorbed by PSIA ⁺	(6,345,660)	(3,236,571)
Market risk	731,554	533,669
Operational risk	3,558,325	3,534,619
Total risk-weighted assets	42,773,040	39,468,240

Effective 1 January 2025, the Bank transitioned to the Basel III methodology for capital adequacy calculations, in line with Bank Negara Malaysia's (BNM) regulatory requirements. The total risk-weighted assets of the 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.

⁺ In accordance with BNM's 'Guidelines on the Recognition and Measurement of Profit Sharing Investment Account ('PSIA') as Risk Absorbent', the credit risk weighted assets funded by the Restricted Investment Account and Unrestricted Investment Account which qualifies as risk absorbent are excluded from the capital adequacy ratio

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

32 CREDIT EXPOSURES ARISING FROM TRANSACTIONS WITH CONNECTED PARTIES

	As at 31 December 2025 RM'000	As at 31 December 2024 RM'000
Outstanding credit exposures with connected parties (RM'000)	3,655,308	3,864,576
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures (%)	3.27	3.79
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	0.01	-

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

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33 VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

34 EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There were no significant events subsequent to the balance sheet date that have not been reflected in the financial statements.

35 CHANGES IN PROFIT FOR THE QUARTER

The Bank reported a pre-tax profit of RM333.0 million for the current quarter, 11.0% higher as compared to the preceding quarter ended 30 September 2025 of RM299.9 million. The higher profit was mainly attributed to lower allowance for credit losses on financing by RM45.6 million and higher non funding income by RM39.2 million, partly offset by higher overhead expenses by RM39.7 million, lower net funding income by RM10.1 million and higher impairment charge on other assets by RM2.0 million .

36 PERFORMANCE REVIEW

For the financial year ended 31 December 2025, the Bank recorded a pre-tax profit of RM1,061.8 million, 0.2% lower than previous corresponding year of RM1,063.5 million. The lower profit was mainly due to higher overhead expenses by RM167.1 million, higher allowance for credit losses on financing by RM95.8 million and higher impairment loss on other assets by RM5.4 million, partly offset by higher net funding income by RM181.3 million and higher non funding income by RM85.3 million.

37 PROSPECTS FOR FINANCIAL YEAR 2026

Malaysia's 2026 macroeconomic outlook is expected to remain positive, driven by stronger domestic demand and resilient trade performance, though tempered by caution amid a fragmented geopolitical landscape and persistent uncertainty over global tariff policies. The domestic economy will continue to serve as the key growth engine, supported by steady investment, resilient consumption and expansionary fiscal measures.

In 2026, the banking sector is expected to maintain its resilience, underpinned by robust capital and strong liquidity positions. Monetary policy is anticipated to remain accommodative and data-driven, guided by macroeconomic developments and the pace of domestic consumption.

The Bank has delivered a commendable FY2025 performance whilst navigating the challenging operating landscape, underscoring its robust fundamentals. Looking ahead, the Bank remains committed to executing the PROGRESS27 strategic roadmap by leveraging on customer centric strategies, innovation and digital capabilities to create long term value for all its stakeholders.