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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	**As at 30 June 2026**	As at 31 December 2025
		RM'000	RM'000
ASSETS			
Cash and short-term funds		**2,218,746**	1,372,302
Securities purchased under resale agreements	9	**4,596,608**	4,657,644
Deposits and placements with banks and other financial institutions	10	**300,193**	-
Financial assets at fair value through profit or loss ('FVTPL')	11	**746,840**	496,021
Financial assets at fair value through other comprehensive income ('FVOCI')	12	**9,223,952**	8,752,865
Financial investments at amortised cost	13	**11,669,568**	9,289,768
Financing and advances	14	**103,205,924**	99,442,774
Other assets	15	**276,996**	242,869
Derivative assets		**595,238**	643,588
Statutory deposits		**911,100**	850,000
Deferred tax assets		**253,709**	235,642
Property, plant and equipment		**3,823**	4,488
Intangible assets		**5,804**	5,861
TOTAL ASSETS		**134,008,501**	125,993,822
LIABILITIES AND EQUITY			
Deposits from customers	16	**106,524,984**	95,599,207
Deposits and placements of banks and other financial institutions	17	**3,487,889**	7,243,268
Obligations on securities sold under repurchase agreements		**298,556**	531,451
Investment accounts	18	**7,361,604**	6,730,880
Bills and acceptances payable		**1,367**	2,205
Other liabilities	19	**2,817,406**	3,125,556
Derivative liabilities		**421,690**	804,905
Recourse obligation on financing sold to Cagamas Berhad ('Cagamas')		**3,384,807**	2,772,403
Provision for taxation and zakat		**89,520**	73,745
Borrowings		**921,219**	915,856
Senior sukuk		**301,193**	-
Subordinated sukuk		**757,087**	760,278
TOTAL LIABILITIES		**126,367,322**	118,559,754
Share capital		**1,673,424**	1,673,424
Reserves		**5,967,755**	5,760,644
TOTAL EQUITY		**7,641,179**	7,434,068
TOTAL LIABILITIES AND EQUITY		**134,008,501**	125,993,822
COMMITMENTS AND CONTINGENCIES	28	**77,232,462**	73,289,401

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2025.

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Note	2nd Quarter Ended		Six Months Ended	
		30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
		RM'000	RM'000	**RM'000**	RM'000
Income derived from investment of depositors' funds	20	**1,305,292**	1,265,473	**2,557,872**	2,498,003
Income derived from investment of investment account funds	21	**101,568**	80,831	**198,691**	162,747
Income derived from investment of shareholders' funds	22	**119,167**	103,653	**252,296**	209,594
Allowance for credit losses on financial assets	23	**(76,080)**	(124,535)	**(129,553)**	(178,318)
Total distributable income		**1,449,947**	1,325,422	**2,879,306**	2,692,026
Income attributable to depositors	24	**(875,051)**	(862,804)	**(1,701,342)**	(1,715,160)
Profit distributed to investment account holders		**(66,736)**	(54,691)	**(129,039)**	(108,427)
		508,160	407,927	**1,048,925**	868,439
Personnel expenses	25	**(5,796)**	(6,815)	**(13,568)**	(13,683)
Other overheads and expenditures	26	**(207,360)**	(214,722)	**(412,879)**	(425,871)
Profit before taxation and zakat		**295,004**	186,390	**622,478**	428,885
Taxation and zakat		**(61,578)**	(48,531)	**(144,412)**	(109,362)
Net profit for the financial period		**233,426**	137,859	**478,066**	319,523
Basic earnings per share (sen)	27	**13.95**	8.24	**28.57**	19.09

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2025.

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	2nd Quarter Ended		Six Months Ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	RM'000	RM'000	**RM'000**	RM'000
Net profit for the financial period	**233,426**	137,859	**478,066**	319,523
Other comprehensive income/(loss) in respect of:				
Items that will be reclassified subsequently to profit or loss:				
Debt instruments measured at FVOCI:				
- Unrealised net (loss)/gain on revaluation	**(236)**	81,218	**(53,644)**	122,575
- Net transfer to income statement on disposal	**(7,101)**	(7,720)	**(16,130)**	(14,398)
- Changes in expected credit losses	**32**	745	**309**	656
Income tax relating to components of other comprehensive loss/(income)	**1,762**	(17,640)	**16,746**	(25,963)
Other comprehensive (loss)/income, net of tax, for the financial period	**(20,527)**	56,603	**(52,719)**	82,870
Total comprehensive income for the financial period	**212,899**	194,462	**425,347**	402,393

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Non distributable			Distributable	
	Share capital	FVOCI reserve	Regulatory reserve	Capital contribution by holding company	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2026	**1,673,424**	**16,151**	**557,071**	**1,560**	**5,185,862**	**7,434,068**
Net profit for the financial period	-	-	-	-	**478,066**	**478,066**
Other comprehensive income/(loss):						
Debt instruments measured at FVOCI:						
- Unrealised net loss on revaluation	-	**(53,644)**	-	-	-	**(53,644)**
- Net transfer to income statement on disposal	-	**(16,130)**	-	-	-	**(16,130)**
- Changes in expected credit losses	-	**309**	-	-	-	**309**
Income tax relating to components of other comprehensive loss	-	**16,746**	-	-	-	**16,746**
Other comprehensive loss, net of tax, for the financial period	-	**(52,719)**	-	-	-	**(52,719)**
Total comprehensive income/(loss) for the financial period	-	**(52,719)**	-	-	**478,066**	**425,347**
Dividend paid	-	-	-	-	**(217,545)**	**(217,545)**
Share-based payment expenses	-	-	-	**79**	-	**79**
Equity settlement with holding company under Share Grant Scheme ('SGS')	-	-	-	**(770)**	-	**(770)**
Transfer to regulatory reserve	-	-	**21,966**	-	**(21,966)**	-
Balance as at 30 June 2026	**1,673,424**	**(36,568)**	**579,037**	**869**	**5,424,417**	**7,641,179**

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2025.

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2026

		Non distributable			Distributable	
	Share capital	FVOCI reserve	Regulatory reserve	Capital contribution 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 period	-	-	-	-	319,523	319,523
Other comprehensive income/(loss):						
Debt instruments measured at FVOCI:						
- Unrealised net gain on revaluation	-	122,575	-	-	-	122,575
- Net transfer to income statement on disposal	-	(14,398)	-	-	-	(14,398)
- Changes in expected credit losses	-	656	-	-	-	656
Income tax relating to components of other comprehensive income	-	(25,963)	-	-	-	(25,963)
Other comprehensive income, net of tax, for the financial period	-	82,870	-	-	-	82,870
Total comprehensive income for the financial period	-	82,870	-	-	319,523	402,393
Dividend paid	-	-	-	-	(217,545)	(217,545)
Share-based payment expenses	-	-	-	589	-	589
Transfer from regulatory reserve	-	-	(1,784)	-	1,784	-
Balance as at 30 June 2025	1,673,424	45,927	531,973	2,364	4,869,642	7,123,330

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2025.

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

INTERIM FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

	Six Months Ended	
	30 June 2026	30 June 2025
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	**622,478**	428,885
Adjustments for non-cash items	**(163,001)**	(235,963)
Operating profit before changes in working capital	**459,477**	192,922
Changes in working capital:		
Net changes in operating assets	**(4,804,358)**	(4,567,796)
Net changes in operating liabilities	**7,483,548**	6,303,581
Cash generated from operations	**3,138,667**	1,928,707
Profit paid	**(35,846)**	(34,839)
Zakat paid	**(6,000)**	(5,500)
Tax paid	**(123,959)**	(99,437)
Net cash generated from operating activities	**2,972,862**	1,788,931
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment:		
- Purchase	**(50)**	(344)
Intangible assets:		
- Purchase	**(605)**	(452)
Net purchase of financial assets at FVOCI and financial investments at amortised cost	**(2,920,171)**	(1,646,993)
Investment income received from financial assets at FVOCI and financial investments at amortised cost	**361,204**	308,817
Net cash used in investing activities	**(2,559,622)**	(1,338,972)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal lease payment	**-**	(1,080)
Proceeds from issuance of senior sukuk	**300,000**	-
Dividend paid	**(217,545)**	(217,545)
Net cash generated from/(used in) financing activities	**82,455**	(218,625)
Net increase in cash and cash equivalents	**495,695**	231,334
Cash and cash equivalents at the beginning of the financial period	**1,372,302**	552,945
Cash and cash equivalents at the end of the financial period	**1,867,997**	784,279
Cash and cash equivalents comprise the following:		
- Cash and short-term funds	**2,218,746**	784,279
- Deposits and placements with banks and other financial institutions	**300,193**	422,761
	2,518,939	1,207,040
Less:		
- Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than one month	**(650,942)**	(422,761)
	1,867,997	784,279

This Interim Financial Statements should be read in conjunction with the Audited Financial Statements of the Bank for the financial year ended 31 December 2025.

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

1 BASIS OF PREPARATION

The interim financial statements are unaudited 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 2025.

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 2025, except for the adoption of the following accounting standards, annual improvements and amendments to MFRS which are effective and applicable for the Bank for financial period beginning on or after 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 and MFRS 7)
- Annual Improvements to MFRS Accounting Standards - Volume 11

The adoption of the above amendments and annual improvements 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 2025 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 six months ended 30 June 2026.

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 six months ended 30 June 2026.

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 six months ended 30 June 2026, other than as disclosed below:

(a) The Bank had on 24 April 2026, completed its first Senior Sukuk Wakalah issuance of RM300 million in nominal value under the Multi-Currency Sukuk Wakalah Programme of up to RM5 billion (or its equivalent in other currencies) in nominal value. The Senior Sukuk Wakalah is issued for a tenure of 5 years with a fixed periodic distribution rate of 3.79% per annum, payable semi-annually in arrears.

7 DIVIDEND

The second single-tier interim dividend of 13.0 sen per share in respect of the financial year ended 31 December 2025, amounting to RM217,545,000, was paid on 30 March 2026.

The Board of Directors have declared a single-tier interim dividend of 8.0 sen per share in respect of the financial year ending 31 December 2026, amounting to RM133,874,000. The payment date for this interim dividend will be determined later.

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 30 June 2026	As at 31 December 2025
	RM'000	RM'000
At amortised cost		
Malaysian Government Investment Issues	**3,000,815**	2,231,702
Islamic Khazanah bonds	**160,509**	158,108
Corporate sukuk	**1,435,284**	2,267,834
	4,596,608	4,657,644

10 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 30 June 2026	As at 31 December 2025
	RM'000	RM'000
Other financial institution	**300,193**	-
	300,193	-

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

	As at 30 June 2026	As at 31 December 2025
	RM'000	RM'000
Mandatory measured at fair value		
Money market instruments:		
Malaysian Government Investment Issues	**689,929**	257,868
Islamic Cagamas bonds	**15,293**	15,382
Unquoted securities:		
In Malaysia		
Corporate sukuk	**41,618**	222,771
	746,840	496,021

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

	As at 30 June 2026	As at 31 December 2025
	RM'000	RM'000
At fair value		
Debt instruments	**9,223,952**	8,752,865
Money market instruments:		
Malaysian Government Investment Issues	**3,872,128**	3,214,481
Islamic Cagamas bonds	**335,758**	256,038
Unquoted securities:		
In Malaysia		
Corporate sukuk	**5,016,066**	5,282,346
	9,223,952	8,752,865

(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**
30 June 2026				
Balance as at the beginning of the financial period	**2,988**	**-**	**-**	**2,988**
Changes in credit risk	**495**	**-**	**-**	**495**
Purchases and origination	**387**	**-**	**-**	**387**
Derecognition and disposal	**(573)**	**-**	**-**	**(573)**
Balance as at the end of the financial period	**3,297**	**-**	**-**	**3,297**
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

13 FINANCIAL INVESTMENTS AT AMORTISED COST

	As at 30 June 2026	As at 31 December 2025
	RM'000	RM'000
At amortised cost		
Money market instruments:		
Malaysian Government Investment Issues	**2,177,634**	2,592,547
Islamic Cagamas bonds	**461,154**	410,916
Islamic Khazanah bonds	**46,239**	45,283
Unquoted securities:		
In Malaysia		
Corporate sukuk	**8,963,507**	6,216,946
Outside Malaysia		
Corporate sukuk	**30,383**	30,394
	11,678,917	9,296,086
Fair value changes arising from fair value hedge	**(3,056)**	645
	11,675,861	9,296,731
Allowance for credit losses	**(6,293)**	(6,963)
	11,669,568	9,289,768

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

(i) Debt instruments, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM311,067,000 (31 December 2025: RM551,325,000).

(ii) Included in financial investments at amortised cost are exposures to RA as part of arrangement between the Bank and its holding company, RHB Bank Berhad ('RHB Bank').

Gross exposure to RA financing as at 30 June 2026 is RM300,000,000 (31 December 2025: RMNil), of which RM300,000,000 (31 December 2025: RMNil) 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 amount recognised in the financial statements of RHB Bank is RM121,000 as at 30 June 2026 (31 December 2025: RMNil).

(a) 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**
	RM'000	**RM'000**	**RM'000**	**RM'000**
30 June 2026				
Balance as at the beginning of the financial period	**6,963**	**-**	**-**	**6,963**
Changes in credit risk	**(1,300)**	**-**	**-**	**(1,300)**
Purchases and origination	**882**	**-**	**-**	**882**
Derecognition	**(252)**	**-**	**-**	**(252)**
Balance as at the end of the financial period	**6,293**	**-**	**-**	**6,293**
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	6,963	-	-	6,963

14 FINANCING AND ADVANCES

	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							
30 June 2026							
At amortised cost							
Cashline	-	-	1,706,824	-	28,106	-	1,734,930
Term financing:							
- Housing financing	139,098	-	23,659,646	19,429,933	-	353	43,229,030
- Syndicated term financing	-	-	2,298,303	-	-	-	2,298,303
- Hire purchase receivables	-	13,714,734	-	-	-	-	13,714,734
- Other term financing	99	3,032	37,109,619	-	-	10	37,112,760
Bills receivables	-	-	1,894,126	-	-	-	1,894,126
Trust receipts	-	-	28,317	-	-	-	28,317
Share margin financing	-	-	36,131	-	-	-	36,131
Staff financing	253	-	33,467	-	-	-	33,720
Credit/charge card receivables	-	-	610,883	-	-	-	610,883
Revolving financing	-	-	3,364,055	-	-	-	3,364,055
Gross financing and advances	139,450	13,717,766	70,741,371	19,429,933	28,106	363	104,056,989
Fair value changes arising from fair value hedge							(26,154)
							104,030,835
Allowance for credit losses							(824,911)
Net financing and advances							103,205,924

* 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.

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

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 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.

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 30 June 2026, gross exposure to RA financing funded by RHB Bank is RM6,548,480,000 (31 December 2025: RM6,583,468,000) and gross exposure to UA financing funded by the investors is RM363,389,000 (31 December 2025: RM11,000,000).

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 RM64,008,000 as at 30 June 2026 (31 December 2025: RM66,654,000).

(b) Included in term financing is housing financing sold to Cagamas amounting to RM3,213,235,000 as at 30 June 2026 (31 December 2025: RM2,643,734,000).

(c) Movement of Qard financing

	As at 30 June 2026 RM'000	As at 31 December 2025 RM'000
Balance as at the beginning of the financial period/year	**26,363**	32,880
New disbursement	**20,754**	17,314
Repayment	**(19,011)**	(23,831)
Balance as at the end of the financial period/year	**28,106**	26,363
Sources of Qard fund:		
- Depositors' fund	**28,106**	26,363
Uses of Qard fund:		
- Personal use	**294**	321
- Business purpose	**27,812**	26,042
	28,106	26,363

(ii) By type of customer

Domestic non-bank financial institutions	**3,072,817**	2,697,788
Domestic business enterprises:		
- Small and medium enterprises	**12,245,133**	10,932,280
- Others	**10,424,249**	11,096,755
Government and statutory bodies	**7,283,567**	7,369,559
Individuals	**69,367,428**	66,492,312
Foreign entities	**1,663,795**	1,631,875
	104,056,989	100,220,569

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

14 FINANCING AND ADVANCES (CONTINUED)

	As at 30 June 2026 RM'000	As at 31 December 2025 RM'000
(iii) By profit rate sensitivity		
Fixed rate:		
- Housing financing	**33,467**	33,202
- Hire purchase receivables	**242,017**	225,592
- Other fixed rate financing	**11,218,391**	11,701,622
Variable rate:		
- Base financing rate-plus	**77,178,045**	74,312,030
- Cost-plus	**15,385,069**	13,948,123
	104,056,989	100,220,569
(iv) By economic sector		
Agriculture, hunting, forestry and fishing	**1,653,942**	1,668,448
Mining and quarrying	**140,402**	136,494
Manufacturing	**2,507,515**	2,802,377
Electricity, gas and water	**328,533**	308,479
Construction	**3,133,390**	2,575,877
Wholesale and retail trade and restaurant and hotel	**4,693,995**	4,766,296
Transport, storage and communication	**1,358,109**	1,902,925
Finance, insurance, real estate and business services	**12,581,836**	11,331,204
Education, health and others	**7,825,307**	7,803,392
Household sector	**69,833,960**	66,925,077
	104,056,989	100,220,569
(v) By purpose		
Purchase of securities	**6,319,975**	6,086,451
Purchase of transport vehicles	**13,748,256**	13,214,564
Purchase of landed property:		
- Residential	**41,567,109**	39,967,771
- Non-residential	**7,317,762**	5,813,116
Purchase of property, plant and equipment other than land and building	**135,071**	130,870
Personal use	**7,485,435**	7,244,177
Credit card	**610,883**	574,119
Construction	**1,706,312**	1,632,462
Working capital	**15,540,948**	16,412,843
Merger and acquisition	**74,083**	75,067
Other purposes	**9,551,155**	9,069,129
	104,056,989	100,220,569

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

14 FINANCING AND ADVANCES (CONTINUED)

	As at 30 June 2026	As at 31 December 2025
	RM'000	RM'000
(vi) By geographical distribution		
In Malaysia	**104,056,989**	100,220,569
(vii) By remaining contractual maturities		
Maturity within one year	**9,702,047**	10,048,493
More than one year to three years	**3,909,209**	3,413,969
More than three years to five years	**13,477,255**	13,074,307
More than five years	**76,968,478**	73,683,800
	104,056,989	100,220,569
(viii) Impaired financing and advances		
(a) Movement in impaired financing and advances		
Balance as at the beginning of the financial period/year	**1,109,336**	852,536
Transfer to 12-month ECL (Stage 1)	**(14,607)**	(37,613)
Transfer to lifetime ECL not credit impaired (Stage 2)	**(108,526)**	(137,502)
Transfer to lifetime ECL credit impaired (Stage 3)	**446,201**	579,700
Purchases and origination	**47,646**	125,587
Derecognition	**(215,527)**	(77,421)
Amount written off	**(95,450)**	(196,228)
Other movements	**(4,263)**	277
Balance as at the end of the financial period/year	**1,164,810**	1,109,336
(b) By economic sector		
Agriculture, hunting, forestry and fishing	**6,464**	5,650
Mining and quarrying	**4,821**	2,548
Manufacturing	**34,579**	32,661
Electricity, gas and water	**81,879**	79,025
Construction	**23,706**	24,309
Wholesale and retail trade and restaurant and hotel	**169,175**	131,187
Transport, storage and communication	**16,822**	11,959
Finance, insurance, real estate and business services	**53,917**	61,219
Education, health and others	**41,566**	130,960
Household sector	**731,881**	629,818
	1,164,810	1,109,336

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

14 FINANCING AND ADVANCES (CONTINUED)

(viii) Impaired financing and advances (continued)

	As at 30 June 2026	As at 31 December 2025
	RM'000	RM'000
(c) By purpose		
Purchase of securities	**617**	804
Purchase of transport vehicles	**63,446**	57,035
Purchase of landed property:		
- Residential	**593,311**	504,390
- Non-residential	**96,982**	208,984
Purchase of property, plant and equipment other than land and building	**1**	1
Personal use	**70,403**	62,677
Credit card	**6,561**	5,017
Construction	**11,936**	12,778
Working capital	**297,719**	237,604
Merger and acquisition	**1,010**	1,122
Other purposes	**22,824**	18,924
	1,164,810	1,109,336
(d) By geographical distribution		
In Malaysia	**1,164,810**	1,109,336

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

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

14 FINANCING AND ADVANCES (CONTINUED)

(viii) Impaired financing and advances (continued)

(e) Movement in allowance for credit losses

30 June 2026	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 period	203,866	223,284	329,927	757,077
Changes due to financial assets recognised in the opening balance that have been:				
- Transferred to 12-month ECL (Stage 1)	34,576	(29,868)	(4,708)	-
- Transferred to lifetime ECL not credit impaired (Stage 2)	(11,372)	60,473	(49,101)	-
- Transferred to lifetime ECL credit impaired (Stage 3)	(1,584)	(27,728)	29,312	-
	21,620	2,877	(24,497)	-
Changes in credit risk	(23,990)	6,296	156,256	138,562
Purchases and origination	41,151	1,936	241	43,328
Bad debts written off	-	-	(69,145)	(69,145)
Derecognition	(9,134)	(9,707)	(21,807)	(40,648)
Other movements	-	-	(4,263)	(4,263)
Balance as at the end of the financial period	233,513	224,686	366,712	824,911

14 FINANCING AND ADVANCES (CONTINUED)

(viii) Impaired financing and advances (continued)

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

31 December 2025	**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	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

15 OTHER ASSETS

	Note	**As at 30 June 2026 RM'000**	As at 31 December 2025 RM'000
Prepayments		**71,575**	60,265
Deposits		**701**	775
Amount due from holding company		**75,295**	-
Amount due from other related companies		**332**	215
Other receivables	(a)	**129,093**	181,614
		276,996	242,869

(a) This is stated net of allowance for impairment losses of RM5,800,000 (31 December 2025: RM5,800,000)

16 DEPOSITS FROM CUSTOMERS

	As at 30 June 2026 RM'000	As at 31 December 2025 RM'000
<u>Savings Deposits</u>		
Qard	**1,303,528**	1,298,698
Commodity Murabahah	**1,881,292**	1,780,781
<u>Demand Deposits</u>		
Qard	**7,779,493**	9,613,991
Commodity Murabahah	**6,483,799**	6,869,839
<u>Term Deposits</u>		
Commodity Murabahah	**69,261,951**	58,805,244
<u>Specific Investment Account</u>		
Commodity Murabahah	**19,814,921**	17,230,654
	106,524,984	95,599,207

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

Due within six months	**59,976,804**	61,622,978
More than six months to one year	**28,552,169**	13,050,755
More than one year to three years	**538,743**	1,352,548
More than three years to five years	**9,156**	9,617
	89,076,872	76,035,898

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

Government and statutory bodies	**20,727,344**	17,596,994
Business enterprises	**41,591,968**	40,544,807
Individuals	**43,811,256**	36,784,179
Others	**394,416**	673,227
	106,524,984	95,599,207

17 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 30 June 2026	As at 31 December 2025
	RM'000	RM'000
Non-Mudharabah Funds:		
Licensed Islamic banks	**270,212**	415,158
Licensed banks	**2,324,600**	5,844,922
BNM/Other central bank	**893,077**	883,172
	3,487,889	7,143,252
Mudharabah Funds:		
Other financial institutions	**-**	100,016
	3,487,889	7,243,268

18 INVESTMENT ACCOUNTS

	Note	**As at 30 June 2026**	As at 31 December 2025
		RM'000	RM'000
Restricted Investment Account	(a)		
- Mudharabah		**3,133,727**	2,849,513
- Wakalah		**3,864,136**	3,870,363
		6,997,863	6,719,876
Unrestricted Investment Account	(b)		
- Wakalah		**363,741**	11,004
		7,361,604	6,730,880

(a) Restricted Investment Account

By type of counterparty:		
Licensed banks	**6,997,863**	6,719,876
Investment assets (principal):		
Personal financing (Note 14 (i)(a))	**3,050,000**	3,050,000
Other term financing (Note 14 (i)(a))	**3,498,480**	3,533,468
Unquoted securities (Note 13 (ii))	**300,000**	-
	6,848,480	6,583,468

As at 30 June 2026, the amount of the restricted investment account placed by the holding company, RHB Bank, amounted to RM6,997,863,000 (31 December 2025: RM6,719,876,000).

18 INVESTMENT ACCOUNTS (CONTINUED)

	As at 30 June 2026	As at 31 December 2025
	RM'000	RM'000
(b) Unrestricted Investment Account		
By type of counterparty:		
Business enterprises	**363,741**	11,004
Investment asset (principal):		
Personal financing (Note 14 (i)(a))	**290,711**	8,800
Housing financing (Note 14 (i)(a))	**72,678**	2,200
	363,389	11,000

19 OTHER LIABILITIES

	Note	**As at 30 June 2026**	As at 31 December 2025
		RM'000	RM'000
Sundry creditors		**41,141**	37,426
Amount due to holding company		**-**	542,646
Amount due to other related companies		**1,651**	6,436
Contract liability	(a)	**643,108**	659,958
Short-term employee benefits		**2,025**	4,181
Accrual for operational expenses		**10,223**	14,939
Cash collateral pledged for derivative transactions		**20,590**	73,577
Structured deposits	(b)	**1,835,141**	1,182,302
Other accruals and payables		**263,527**	604,091
		2,817,406	3,125,556

(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 period/year, an amount of RM17,590,000 (31 December 2025: RM14,042,000) has been recognised in the income statements.

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

- One year to three years	**696**	25,537
- More than three years	**1,834,445**	1,156,765
	1,835,141	1,182,302

20 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS

	2nd Quarter Ended		Six Months Ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	RM'000	RM'000	**RM'000**	RM'000
Income derived from investment of:				
(i) Other deposits	**1,305,292**	1,265,473	**2,557,872**	2,498,003
	1,305,292	1,265,473	**2,557,872**	2,498,003
(i) Income derived from investment of other deposits:				
Financing and advances	**1,069,349**	1,064,323	**2,103,180**	2,101,925
Securities purchased under resale agreements	**33,509**	18,074	**68,472**	39,322
Financial assets at FVTPL	**5,086**	4,772	**10,449**	7,797
Financial assets at FVOCI	**79,681**	67,911	**156,573**	135,828
Financial investments at amortised cost	**99,696**	82,341	**186,072**	159,095
Money at call and deposits with banks and other financial institutions	**7,525**	14,653	**10,035**	28,778
Total finance income and hibah	**1,294,846**	1,252,074	**2,534,781**	2,472,745
Other operating income (Note a)	**10,446**	13,399	**23,091**	25,258
	1,305,292	1,265,473	**2,557,872**	2,498,003
Of which:				
Financing income earned on impaired financing	**8,780**	10,975	**11,890**	19,844
(a) Other operating income comprise of:				
Fee income:				
- Commission	**117**	164	**183**	621
- Guarantee fees	**2,694**	3,422	**8,733**	6,983
	2,811	3,586	**8,916**	7,604
Net gain on revaluation of financial assets at FVTPL	**1,449**	347	**2,076**	800
Net (loss)/gain on disposal of financial assets at FVTPL	**(805)**	1,877	**(3,773)**	2,699
Net gain on disposal of debt instruments of financial assets at FVOCI	**6,991**	7,589	**15,872**	14,155
	10,446	13,399	**23,091**	25,258

21 INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS

	2nd Quarter Ended		Six Months Ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	RM'000	RM'000	**RM'000**	RM'000
Financing and advances	**99,543**	56,884	**196,666**	115,483
Financial investments at amortised cost	**2,025**	23,947	**2,025**	47,264
Total finance income and hibah	**101,568**	80,831	**198,691**	162,747

22 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	2nd Quarter Ended		Six Months Ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	RM'000	RM'000	**RM'000**	RM'000
Financing and advances	**17,007**	18,348	**34,143**	36,150
Securities purchased under resale agreements	**532**	311	**1,112**	676
Financial assets at FVTPL	**81**	82	**170**	134
Financial assets at FVOCI	**1,267**	1,171	**2,542**	2,336
Financial investments at amortised cost	**1,589**	1,420	**3,021**	2,737
Money at call and deposits with banks and other financial institutions	**121**	253	**163**	495
Total finance income and hibah	**20,597**	21,585	**41,151**	42,528
Other operating income (Note a)	**98,570**	82,068	**211,145**	167,066
	119,167	103,653	**252,296**	209,594
Of which:				
Financing income earned on impaired financing	**141**	189	**193**	341

(a) Other operating income comprise of:

	2nd Quarter Ended		Six Months Ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
Fee income:				
- Commission	**21,537**	13,862	**38,872**	29,158
- Service charges and fees	**42,783**	26,615	**113,052**	58,506
- Guarantee fees	**42**	59	**142**	120
	64,362	40,536	**152,066**	87,784
Net gain on revaluation of financial assets at FVTPL	**24**	6	**34**	14
Net (loss)/gain on disposal of financial assets at FVTPL	**(12)**	32	**(61)**	46
Net gain on disposal of debt instruments of financial investments at FVOCI	**111**	131	**258**	243
Net gain on revaluation of derivatives	**4,681**	8,519	**11,897**	15,702
Net gain on fair value hedges	**554**	80	**241**	162
Other income:				
- Foreign exchange gain	**36,065**	37,896	**60,231**	73,481
- Gain on modification of right-of-use assets	**-**	10	**-**	10
- Other non-operating loss	**(7,215)**	(5,142)	**(13,521)**	(10,376)
	98,570	82,068	**211,145**	167,066

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

23 ALLOWANCE FOR CREDIT LOSSES ON FINANCIAL ASSETS

	2nd Quarter Ended		Six Months Ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	RM'000	RM'000	**RM'000**	RM'000
Charge/(Writeback)				
Financing and advances:				
- Net charge	**85,823**	127,922	**141,242**	172,020
- Bad debts recovered	**(21,249)**	(15,900)	**(37,826)**	(28,705)
- Bad debts written off	**10,432**	15,200	**26,378**	31,837
	75,006	127,222	**129,794**	175,152
Financial assets at FVOCI	**32**	745	**309**	656
Financial investments at amortised cost	**988**	(3,354)	**(670)**	2,460
Other financial assets	**54**	(78)	**120**	50
	76,080	124,535	**129,553**	178,318

24 INCOME ATTRIBUTABLE TO DEPOSITORS

	2nd Quarter Ended		Six Months Ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	RM'000	RM'000	**RM'000**	RM'000
Deposits from customers:				
- Mudharabah funds	**13,203**	13,220	**25,507**	25,497
- Non-Mudharabah funds	**760,041**	721,108	**1,462,073**	1,432,585
Deposits and placements of banks and other financial institutions:				
- Non-Mudharabah funds	**30,974**	76,280	**78,423**	162,874
Others:				
- Subordinated sukuk	**7,530**	7,529	**14,977**	14,976
- Senior sukuk	**2,150**	-	**2,150**	-
- Recourse obligation on financing sold to Cagamas	**29,651**	21,678	**55,642**	34,267
- Borrowings	**10,065**	9,549	**19,822**	19,656
- Obligations on securities sold under repurchase agreements	**3,452**	1,588	**8,375**	1,588
- Others	**17,985**	11,852	**34,373**	23,717
	875,051	862,804	**1,701,342**	1,715,160

25 PERSONNEL EXPENSES

		2nd Quarter Ended		Six Months Ended	
	Note	**30 June 2026**	30 June 2025	**30 June 2026**	30 June 2025
		RM'000	RM'000	**RM'000**	RM'000
Salaries, allowances and bonuses		**4,754**	5,106	**10,934**	10,221
Contributions to Employees' Provident Fund		**787**	842	**1,682**	1,656
Share-based expenses	(a)	**(202)**	295	**79**	589
Other staff related costs		**457**	572	**873**	1,217
		5,796	6,815	**13,568**	13,683

(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.

26 OTHER OVERHEADS AND EXPENDITURES

	2nd Quarter Ended		Six Months Ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	RM'000	RM'000	**RM'000**	RM'000
Establishment costs				
Property, plant and equipment:				
- Depreciation	**338**	409	**715**	809
Computer software license:				
- Amortisation	**336**	287	**662**	570
Right-of-use assets:				
- Depreciation	**-**	62	**-**	271
Information technology expenses	**409**	246	**726**	548
Repair and maintenance	**17**	16	**30**	115
Rental of premises	**181**	175	**355**	338
Water and electricity	**5**	6	**10**	12
Rental of equipment	**-**	-	**1**	1
Printing and stationeries	**1,517**	1,682	**3,207**	2,832
Takaful	**4,577**	4,341	**8,111**	7,299
Others	**810**	890	**1,478**	1,709
	8,190	8,114	**15,295**	14,504
Marketing expenses				
Advertisement and publicity	**200**	201	**446**	583
Sales commission	**5,062**	6,299	**11,803**	12,069
Travelling expenses	**36**	62	**106**	93
Motor vehicle expenses	**11**	9	**23**	33
Others	**3,727**	3,793	**8,097**	8,116
	9,036	10,364	**20,475**	20,894
Administration and general expenses				
Communication expenses	**2,388**	2,390	**4,709**	4,310
Legal and professional fee	**1,019**	1,563	**4,223**	3,024
Management fee	**179,894**	184,980	**353,330**	372,623
Others	**6,833**	7,311	**14,847**	10,516
	190,134	196,244	**377,109**	390,473
	207,360	214,722	**412,879**	425,871

27 EARNINGS PER SHARE

	2nd Quarter Ended		Six Months Ended	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
Net profit for the financial period (RM'000)	**233,426**	137,859	**478,066**	319,523
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)	**13.95**	8.24	**28.57**	19.09

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2026

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 30 June 2026	As at 31 December 2025
	RM'000	RM'000
Contingent liabilities		
Transaction-related contingent items	**1,207,259**	872,273
Short-term self-liquidating trade related contingencies	**395,757**	437,853
	1,603,016	1,310,126
Commitments		
Commitment to buy-back Islamic securities under Sell and Buy Back Agreement transactions *	**313,735**	562,648
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	**241,385**	-
Irrevocable commitments to extend credit:		
- Remaining maturity less than one year	**587,469**	352,511
- Remaining maturity more than one year	**10,071,668**	9,073,503
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	**4,202,631**	3,143,904
	15,416,888	13,132,566
Derivative financial instruments		
Foreign exchange related contracts^:		
- Less than one year	**41,812,035**	40,026,041
- One year to less than five years	**747,732**	745,480
Profit rate related contracts^:		
- Less than one year	**1,183,000**	915,000
- One year to less than five years	**11,583,509**	11,388,824
- More than five years	-	500,000
Commodity related contracts^:		
- Less than one year	**21,987**	77,012
- One year to less than five years	**1,295**	21,352
	55,349,558	53,673,709
Securities financing transactions *		
- Less than one year	**4,863,000**	5,173,000
	77,232,462	73,289,401

^ 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 guideline on the Capital Adequacy Framework for Islamic Banks ('CAFIB'), 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.

The disclosure is presented in accordance with the BNM's guideline on the Capital Adequacy Framework for Islamic Banks.

29 CAPITAL COMMITMENTS

	As at 30 June 2026	As at 31 December 2025
	RM'000	RM'000
Capital expenditure for property, plant and equipment:		
- Authorised and contracted for	**5,008**	4,914

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:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2026				
Financial assets				
Financial assets at FVTPL:	**-**	**746,840**	**-**	**746,840**
- money market instruments	**-**	**705,222**	**-**	**705,222**
- unquoted securities	**-**	**41,618**	**-**	**41,618**
Financial assets at FVOCI:	**-**	**9,223,952**	**-**	**9,223,952**
- money market instruments	**-**	**4,207,886**	**-**	**4,207,886**
- unquoted securities	**-**	**5,016,066**	**-**	**5,016,066**
Derivative assets	**-**	**595,238**	**-**	**595,238**
	-	**10,566,030**	**-**	**10,566,030**
Financial liabilities				
Derivative liabilities	**-**	**421,690**	**-**	**421,690**
31 December 2025				
Financial assets				
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
Financial liabilities				
Derivative liabilities	-	804,905	-	804,905

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

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.

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 30 June 2026	As at 31 December 2025
	RM'000	RM'000
Common Equity Tier I ('CET I') Capital/Tier I Capital		
Share capital	**1,673,424**	1,673,424
Retained profits	**5,424,417**	5,185,862
Other reserve	**869**	1,560
FVOCI reserve	**(39,865)**	13,163
	7,058,845	6,874,009
Less:		
Deferred tax assets	**(242,071)**	(240,659)
Intangible assets (include associated deferred tax liabilities)	**(4,853)**	(5,005)
55% of cumulative gains arising from change in value of FVOCI instruments	**-**	(7,240)
Other deductions*	**(10,800)**	(15,818)
Total CET I/Total Tier I Capital	**6,801,121**	6,605,287
Tier II Capital		
Subordinated sukuk	**749,838**	749,812
Surplus eligible provisions over expected losses	**212,549**	196,165
General provisions^	**79,049**	72,362
Total Tier II Capital	**1,041,436**	1,018,339
Total Capital	**7,842,557**	7,623,626
Capital Ratios		
Before proposed dividends:		
CET I Capital Ratio	**14.690%**	15.443%
Tier I Capital Ratio	**14.690%**	15.443%
Total Capital Ratio	**16.939%**	17.823%
After proposed dividends:		
CET I Capital Ratio	**14.401%**	14.934%
Tier I Capital Ratio	**14.401%**	14.934%
Total Capital Ratio	**16.650%**	17.315%

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

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 RM66,150,000 (31 December 2025: RM62,064,000).

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

	As at 30 June 2026	As at 31 December 2025
	RM'000	RM'000
Credit risk	**47,991,713**	44,828,821
Credit risk absorbed by PSIA[+]	**(6,242,939)**	(6,345,660)
Market risk	**804,769**	731,554
Operational risk	**3,744,968**	3,558,325
Total risk-weighted assets	**46,298,511**	42,773,040

The total risk-weighted assets of the Bank are computed based on BNM's guideline on the 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).

+ 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 calculation.

32 CREDIT EXPOSURES ARISING FROM TRANSACTIONS WITH CONNECTED PARTIES

	As at 30 June 2026	As at 31 December 2025
Outstanding credit exposures with connected parties (RM'000)	**2,842,092**	3,655,308
Percentage of outstanding credit exposures with connected parties as proportion of total credit exposures (%)	**2.41**	3.27
Percentage of outstanding credit exposures with connected parties which is impaired or in default (%)	**0.01**	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.

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 RM295.0 million for the current quarter, 9.9% lower as compared to the preceding quarter ended 31 March 2026 of RM327.5 million. The lower profit was mainly attributed to higher allowance for credit losses on financing by RM20.2 milllion, lower non funding income by RM16.2 million and higher impairment charge on other assets by RM2.4 million, partly offset by higher net funding income by RM6.2 million and lower overhead expenses by RM0.1 million.

36 PERFORMANCE REVIEW

For the six months ended 30 June 2026, the Bank recorded a pre-tax profit of RM622.5 million, 45.1% higher than previous corresponding year of RM428.9 million. The higher profit was mainly due to higher net funding income by RM89.8 million, lower allowance for credit losses on financing by RM45.4 million, higher non funding income by RM41.9 million, lower overhead expenses by RM13.1 million and higher impairment write-back on other assets by RM3.4 million.

37 PROSPECTS FOR FINANCIAL YEAR 2026

We remain cautiously optimistic about Malaysia's economic outlook for the remainder of the year, although key risks continue to stem from tensions in the Middle East and US-led trade tariffs. These external headwinds, should they exacerbate, could amplify adverse spillover effects across the ASEAN region. Nevertheless, we expect Malaysia's economy to remain resilient in the second half of 2026, supported by steady domestic demand, sustained investment activity, and a stable labour market.

The banking sector is expected to remain resilient with strong capital position and adequate liquidity buffers to withstand potential liquidity shocks. Monetary policy is expected to remain data-dependent with decisions based on economic growth prospects and underlying inflation momentum. Overall, we observe that Malaysia's robust economic prospects and manageable inflation will support a broadly stable policy outlook in 2026.

Against this backdrop, the Bank remains focused on delivering its PROGRESS27 priorities, balancing sustainable growth with prudent risk management and resilience, while continuing to support customers and stakeholders amid evolving market conditions.