HongLeong Bank Berhad

Annual Report **2026**

TABLE OF CONTENTS

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CORPORATE

The Business	**02**
Awards & Accolades	**04**
Hong Leong Bank Story	**06**
Corporate Milestones	**08**
Chairman's Statement	**12**
Five Year Financial Highlights	**18**
Group Managing Director/ Chief Executive Officer's Review	**20**
Management Discussion & Analysis	**32**
Sustainability Statement	**76**
Corporate Information	**109**
Board of Directors' Profile	**110**
Key Senior Management of the Group	**114**
Board Audit Committee Report	**119**
Board Risk Management Committee (BRMC) Report	**123**
Corporate Governance Overview, Risk Management & Internal Control Statement	**127**

FINANCIALS

Directors' Report	**158**
Statements of Financial Position	**169**
Statements of Income	**170**
Statements of Comprehensive Income	**171**
Statements of Changes in Equity	**172**
Statements of Cash Flows	**176**
Notes to the Financial Statements	**182**
Statement by Directors	**355**
Statutory Declaration	**355**
Independent Auditors' Report	**356**
Financial Data for Shariah Screening Disclosure	**361**
Basel II Pillar 3 Disclosures	**363**

ADDITIONAL INFORMATION

Notice of Annual General Meeting	**413**
Statement Accompanying Notice of Annual General Meeting	**416**
Other Information	**417**
Network of Branches	**425**
Form of Proxy	•

Connect
Digital Onboarding
Individuals aged 12 & above and sole proprietorships self-served full digital onboarding

Connect
Mobile App
Day-to-day banking beyond payments & transfers, at any time and from anywhere

Connect
Internet Banking
Full-fledged digital banking services for individuals & sole proprietors

Connect
Pocket
Build stickiness since young, junior mobile banking with parental control

Connect
InBranch
Staff serve, bringing banking to your doorstep

Connect
Merchant
3 languages cashless payment solution for small business (up to 5 cashiers)

To Be a Highly Digital and Innovative Financial Services Company

THE BUSINESS

In 2026, Malaysia's economy continues to demonstrate resilience despite prevailing uncertainties and ongoing geopolitical conflicts, upheld by domestic consumption and a growing export market. This year marks a pivotal phase in our journey, defined by strengthening our proposition in key growth areas, bankwide Artificial Intelligence ("AI") integration, and sustainable long-term value creation.

As a regional financial institution, Hong Leong Bank ("HLB") remains committed to driving this next chapter of growth. Built on a 120-year entrepreneurial heritage, we strive to partner with the customers, businesses, and communities we serve, empowering them to expand their businesses and grow their personal wealth. By combining deep customer insights with continuous business transformation and digital hyper-personalisation, we consistently deliver on our brand promise: **'Built Around You'.**

Our 2026 Annual Report reflects both strong financial performance, prudent risk management and our broader commitment as a responsible bank. As we accelerate our strategic transformation, streamline our operations, drive positive environmental and social impact, and foster inclusive growth, we ensure our progress directly supports the sustainable prosperity of the nation and the region.

CORE OVERVIEW & OPERATIONS

Hong Leong Bank is a leading financial institution in Malaysia, providing a comprehensive suite of banking solutions to individuals, small and medium-sized enterprises ("SMEs"), and corporate clients across the region.

Our operations are guided by customer-centricity, robust risk management, and a continuous strategic transformation that integrates digital capabilities, data-driven insights, and agile execution. Beyond core banking, HLB actively champions sustainable community development and supports social enterprises to create meaningful, lasting impact for underserved communities.

Supported by a network of 221 branches across Malaysia, Singapore, Hong Kong, Vietnam and Cambodia complemented by a full-service call centre and an extensive network of self-service terminals.

Comprehensive wealth management services delivered across all branches in Malaysia and Singapore, alongside dedicated HLB Priority and HLB Private Bank services.

Building on our strong legacy, HLB is transforming for the future. By refining our operating models, deepening digital integration, and expanding our sustainable finance capabilities, we remain well-positioned to navigate evolving market dynamics, deliver exceptional stakeholder value, and drive sustainable growth in 2026 and beyond.

KEY BUSINESS PILLARS

Personal Financial Services ("PFS")

PFS offers a range of banking products and services that cater to the needs of individual customers. These include property and auto loans/financing, personal loans/financing for periodic household needs, card and payment products for everyday transactions, investment and insurance solutions for wealth management and protection, deposit and remittance products for liquidity, savings and payments, and digital banking solutions, which include HLB Connect, the Bank's internet and mobile banking platform.

Business & Corporate Banking ("BCB")

BCB offers banking solutions tailored to the needs of SMEs as well as commercial and corporate customers. These include deposit and loan services (such as business current account, liquidity management, auto-sweep and fixed deposits) and financing options (including asset acquisition, working capital, business expansion and business automation). In addition, BCB specialises in transaction banking solutions, encompassing cash management, corporate internet banking platforms, trade financing and services, and merchant payment solutions.

THE BUSINESS

REGIONAL FOOTPRINT

SINGAPORE OPERATIONS

HL Bank Singapore operates under a full banking licence. We offer a comprehensive range of financial services to business, retail and high-net-worth customers through our 4 core business segments: wealth management including HLB Private Bank, business & corporate banking, personal financial services, and global markets. We are forging ahead by enhancing our value propositions, expanding employee capabilities and accelerating digital transformation to improve customer experience and operational efficiency.

HONG KONG OPERATIONS

Hong Leong Bank Hong Kong operates under a full banking licence and provides global market and SME/ wealth management services to our customers. We offer comprehensive financial solutions, including bespoke wealth management services tailored to high-net-worth individuals and a full spectrum of global market products. Additionally, the branch provides robust support to SMEs, facilitating their cross-border trade and expansion needs. This strategic focus ensures we deliver value-added services that meet the sophisticated demands of our clientele, reinforcing our commitment to regional growth and customer-centricity.

VIETNAM OPERATIONS

Hong Leong Bank Vietnam Limited ("HLBVN"), a subsidiary of Hong Leong Bank, made history in October 2009 as the first Malaysian bank to establish full-fledged banking operations in Vietnam. HLBVN offers a comprehensive range of services tailored to both individuals and businesses. For individuals, this includes retail loans, deposit products, wealth management, and priority banking. Businesses can benefit from HLBVN's solutions in working capital and term loans, deposit and liability management, trade finance, as well as foreign exchange ("forex") and money market services. Currently, HLBVN primarily serves its clients through branches strategically located in Ho Chi Minh City and Hanoi.

CAMBODIA OPERATIONS

In July 2013, Hong Leong Bank (Cambodia) PLC ("HLBCAM") commenced operations as a 100% wholly owned subsidiary providing comprehensive financial services covering consumer banking, SME banking, business banking, global markets and transaction banking services. With branches located in Phnom Penh, HLBCAM's strategic objective in the Kingdom is growing with the community by supporting the local SME and commercial / corporate customers, high-net-worth individuals, affluent and emerging affluent communities, as well as tech savvy young professionals with tailor-made financial solutions.

INVESTMENT IN CHINA

HLB was the first Malaysian bank to enter the Chinese banking sector in 2008 with a strategic investment in Bank of Chengdu Co. Ltd ("BOCD") and has a 17.8% stake in the company. BOCD is a leading city commercial bank in Western and Central China based in Chengdu, the capital of Sichuan Province, and is listed on the Shanghai Stock Exchange.

Regional Wealth Management ("RWM")

RWM provides comprehensive wealth management services including Priority and Private Bank services across Malaysia and Singapore, tailored to meet its clients' individual and business needs. These services are delivered by certified Wealth Advisors and an experienced network of Relationship Managers, with the aim of achieving sustainable, multigenerational, multifaceted wealth progression through investments, insurance, deposits and asset financing.

Global Markets ("GM")

GM assists our institutional and corporate clients on their investment and hedging needs across asset classes, including Foreign Exchange, Fixed Income, Derivatives and Structured Products. On top of managing clients' treasury requirements, Global Markets also manages the Bank's excess liquidity and risks arising from the Bank's transaction and payment flow.

Islamic Banking Services

Hong Leong Islamic Bank Berhad ("HLB Islamic") is a wholly-owned subsidiary of HLB focused on providing Shariah-compliant Personal Financial Services, Wealth Management, Business and Corporate Banking and Global Markets products and services.

AWARDS & ACCOLADES

HONG LEONG BANK BERHAD

The Asian Banker Awards 2026

Best Managed Bank in Malaysia

Best Bank CEO in Malaysia (Kevin Lam)

TAB Global Leadership Achievement Awards 2026
BEST BANK CEO AND BEST MANAGED BANK IN MALAYSIA

Organised by **The Asian Banker**

Asian Banking & Finance Retail Banking Awards 2026

SME Bank of the Year - Malaysia
5 Consecutive Years (2022 - 2026)

Organised by **Asian Banking & Finance**

Asian Banking & Finance Wholesale Banking Awards 2026

Malaysia Domestic Technology & Operations Bank of the Year

Singapore International Foreign Exchange Bank of the Year

Organised by **Asian Banking & Finance**

Asian Banking & Finance Corporate & Investment Awards 2026

Initiative Award for SME Cross Border Finance Innovation, Singapore

Organised by **Asian Banking & Finance**

Global Private Banking Innovation Awards 2026

Best Private Bank for Wealth Creation & Preservation

Rising Star Private Bank (Malaysia)

Organised by **Global Private Banker**

Global Mass Affluent Awards 2026

Best Bank or Wealth Manager for Emerging Affluent Clients

Best Value Proposition for Emerging Affluent Clients

Organised by **The Digital Banker**

WealthBriefingAsia Awards 2026

Best Private Bank or Wealth Manager (Malaysia)

Best Private Bank or Wealth Manager (Singapore)

Organised by **WealthBriefingAsia**

The Digital Banker Global Transaction Banking Innovation Awards 2026

Best Bank for Payments & Collections - Malaysia

Best Automation Initiative - Malaysia

Transaction Banking Leader of the Year - Malaysia (Alina Grace Tan)

Organised by **The Digital Banker**

Global Islamic Finance Awards (GIFA) 2026

Best Islamic Bank for SME Banking
2 Consecutive Years (2025 - 2026)

Organised by
Global Islamic Finance Awards

Bursa Malaysia IR Awards 2026

Best CFO in Investor Relations (Malkit Singh)

Organised by **Bursa Malaysia**

AWARDS & ACCOLADES

Digital CX Awards 2026

Best Digital Bank for Customer Experience – Vietnam

Best SME Bank for Customer Experience – Vietnam

Best SME Bank for Customer Experience – South East Asia

Organised by **The Digital Banker**

Islamic Retail Banking Awards (IRBA) 2025

Best Islamic Retail Banking Brand in Malaysia 2025

Best Islamic Retail Bank for Digital Payments in Malaysia 2025

Most Outstanding CEO in Islamic Retail Banking in Malaysia

Organised by **Islamic Retail Banking Awards**

The Asset Award 2025

G3 Bonds 2025, Most Astute Investor Award - Trading Banks, Malaysia (Ryan Lee)

G3 Bonds 2025, Top Investment House, Malaysia, Banks

Best of the Sellside,
Best Individuals in Sales
Ranked 1st - Aniq Taqiyuddin
Ranked 6th - Badrul Syahfendy Bin Mohamad
Ranked 7th - Muhammad Izham
Ranked 9th - Quintin Tan

Ranked 3rd in Top Sellside Firms in the Secondary Market - Corporate Bonds

Organised by **The Asset**

Malaysian e-Payments Excellence Awards (MEEA)

National Scam Response Centre (NSRC) Vanguard of Vigilance

Organised by **PayNet**

Malaysian e-Payments Excellence Awards (MEEA)

Outstanding PayNet Cambah Collaborating Bank

Organised by **PayNet**

Financial Industry Collective Outreach (FINCO) Annual Awards 2025

CEO Volunteer of The Year 2025

Organised by **Financial Industry Collective Outreach (FINCO)**

World Halal Excellence Awards (WHEA) 2025

Islamic Finance Services Excellence Award

Organised by **World Halal Excellence Awards (WHEA)**

Tax Governance Status Award 2024 - 2027

Inland Revenue Board of Malaysia (IRBM)

Certified by **IRBM**

BNM League Table 2025

HLB

Ranked 5th in Secondary Bond Market

Ranked 2nd in Conventional Bonds Secondary Market by Instrument, Corporate Bond

Ranked 3rd in Sukuk Secondary Market by Instrument, MGII/SPK

Ranked 3rd in Sukuk Secondary Market by Instrument, Corporate Bond

HLB Islamic

Ranked 3rd in Sukuk Secondary Market by Instrument, Corporate Bond

Recognised by **Bank Negara Malaysia**

HONG LEONG BANK STORY

HLB is listed on Bursa Malaysia Berhad and forms part of the Hong Leong Group. Headquartered in Kuala Lumpur, the Bank has a strong heritage of Malaysian innovation and entrepreneurship of over 120 years.

HLB was originally incorporated as Kwong Lee Mortgage and Remittance Company in 1905 in Kuching, Sarawak and later as Kwong Lee Bank Limited in 1934, bearing the heritage of the oldest local financial institution in Malaysia. Kwong Lee Bank Berhad was acquired by the MUI Group in May 1982 and renamed Malayan United Bank Berhad on 2 February 1983. In 1989, it was renamed as MUI Bank. Under the MUI Bank banner, it grew from 11 to 35 branches nationwide. On 3 January 1994, Hong Leong Group acquired MUI Bank Berhad through Hong Leong Credit Berhad (now known as Hong Leong Financial Group Berhad) and renamed it Hong Leong Bank Berhad.

The Bank was listed on the Kuala Lumpur Stock Exchange (now under Main Market of Bursa Malaysia) on 17 October 1994 and since then has grown to be a significant player in the Malaysian banking and financing landscape, organically as well as through mergers and acquisitions, with its merger with EON Bank Group in 2011. Today the Bank is Malaysia's fifth largest banking group by total assets, with RM328.4 billion as at 30 June 2026, and fourth largest by market capitalisation as at the same date.

Key Focus Areas

- Customers
- Community
- Talent
- Entrepreneurship

LOCATIONS

Incorporated in 1905:
Kwong Lee Mortgage and Remittance Company in Kuching, Sarawak

RM328.4 billion
in assets as at 30 June 2026

HONG LEONG BANK STORY

Personal Financial Services

Business & Corporate Banking

Regional Wealth Management

Global Markets

Islamic Banking

Hong Leong Bank

Technologically Focused

Strong Entrepreneurial Heritage

Customer Centred Solutions:

Built Around You

Building Sustainability Through:

- Digital Intelligence
- Workforce Transformation
- Socially Responsible Business
- Environmental Management
- Community Investment

Channels

- Mobile Banking
- Internet Banking
- Branches
- Self Service Terminals
- Call Centre
- Relationship Managers
- E-Commerce

Core Values

- Honour
- Here for the long-term
- Innovation
- Collaborate to Win
- Entrepreneurship

CORPORATE MILESTONES

Heritage & Commercial Foundations

1905

Established in Kuching, Sarawak, as Kwong Lee Mortgage and Remittance Company, marking the beginning of our financial heritage.

1934

Officially incorporated as Kwong Lee Bank Limited.

1989

Renamed MUI Bank, expanding domestic network footprint to 35 branches.

1994

Acquired by Hong Leong Credit Berhad (now Hong Leong Financial Group Berhad) and rebranded as **Hong Leong Bank Berhad (HLB).**

Regional Expansion

2008

Strategic entry into mainland China via a 20% equity stake in Bank of Chengdu Co., Ltd.

2009

HLBVN opened its doors in Ho Chi Minh City.

2011

Completed merger with EON Bank Group.

2013

Expanded regional footprint into Cambodia (HLBCAM) and established a representative office in Nanjing, China.

CORPORATE MILESTONES

Digital Banking Pioneer & Financial Inclusion

2014–2015

Accelerated digital transformation with next-generation internet banking, mobile banking platforms, biometric authentication, and online wealth solutions.

2016–2017

Pioneered AI-driven customer service (IBM Watson), paperless branch servicing (iPad Ambassadors), and launched **HLB LaunchPad** to incubate FinTech innovation.

2018

Operationalised first-in-market digital flagship concept branch in Damansara City featuring robotics and tablet teller systems.

2019

Became the first Malaysian bank to enable WeChat Pay cross-border merchant acquisition in local currency.

2020

Introduced end-to-end digital e-KYC account onboarding in Malaysia and launched flagship financial literacy initiative, **HLB DuitSmart**.

Ecosystem Growth, Sustainability & Strategic Partnerships

2021

Launched industry-first e-commerce presence on Shopee Mall and introduced specialized 'Talking ATMs' for visually-impaired communities.

2023

Spearheaded local community digitalisation via Malaysia's first *Cashless Kampung* in Sekinchan and backed Southeast Asia's first Earned Wage Access salary advance solution.

2024

Unveiled the Penang Iconic Flagship Branch and launched **BizHalal**, an end-to-end Shariah-compliant advisory framework for high-growth Halal enterprises.

2025

Formed a strategic wealth management alliance with **Lombard Odier** to serve high-net-worth segment needs, launched hybrid community branch model *Meet @ HLB*, and introduced HLB *Wallet-i* e-wallet.

CORPORATE MILESTONES

2026

Transformation Milestones

- Named **Best Managed Bank in Malaysia** by *The Asian Banker*, with Group Managing Director/CEO Kevin Lam recognised as **Best Bank CEO in Malaysia**.
- HLB Vietnam secured three major titles at *The Digital Banker Digital CX Awards 2026*, including *Best SME Bank for CX in Southeast Asia* and *Best Digital Bank in Vietnam*.
- Honored as **Best SME Bank in Malaysia** and **Domestic Technology & Operations Bank of the Year** by *Asian Banking & Finance*. HLB Singapore earned *Singapore International Foreign Exchange Bank of the Year*.
- Swept six regional wealth awards, including **Best Private Bank/Wealth Manager in Malaysia and Singapore** (*WealthBriefingAsia*) and **Best Bank for Emerging Affluent Clients** (*Global Mass Affluent Banking Awards*).

CORPORATE MILESTONES

Strategic Wealth Propositions & Product Innovations

- Rebranded the Priority Banking segment to **HLB Priority**, introducing a holistic wealth stewardship model centred on five core goals: Preservation, Income, Growth, Diversification, and Legacy.
- Unveiled **HLB Islamic** as the modern consumer brand identity of Hong Leong Islamic Bank Berhad, featuring the flagship *Hayat @ HLB Islamic* proposition.
- Launched **HLB Opus**, Southeast Asia's first ceramic card and Malaysia's premier Visa Infinite Privilege credit card, alongside exclusive access to private markets and specialised healthcare concierge pillars under HLB Priority.
- Introduced custom Portfolio Financing facilities, enabling high-net-worth clients to unlock liquidity without liquidating long-term investments.
- Expanded cardholder lifestyle benefits via exclusive presenting sponsorship of AsiaTop Music Festival 2026, and the launch of limited-edition *HLB x Spider-Man: Brand New Day* credit cards.

ESG, Community Empowerment & Sustainable Finance

- Expanded corporate reforestation pledges with an additional 50,000 mangrove trees planted at Kuala Selangor Nature Park to promote bio-diversity and carbon sequestration.
- Partnered with Pantas under BNM's *Greening Halal Business* initiative to provide SME clients with automated carbon accounting tools and ESG capacity building.
- Partnered with the Segambut district to deliver **HLB DuitSmart** financial literacy and scam awareness workshops across 27 primary and secondary schools in the region.
- Contributed RM1.55 million in multi-year funding to welfare homes, schools, and vulnerable communities through the Business & Corporate Banking Fundraising Initiative.
- Supported *Ihya' Ramadan* 2026 cultural outreach at Masjid Jamek Sultan Abdul Samad, providing funding to Tadarrus Al-Quran educators and community food distribution.

CHAIRMAN'S STATEMENT

BUILDING LONG-TERM RESILIENCE AND SUSTAINABLE VALUE

The financial year under review tested the adaptability of businesses as changing trade conditions and geopolitical developments continued to reshape the operating environment. Against this backdrop, Hong Leong Bank ("HLB" or "the Bank") remained focused on supporting customers and safeguarding asset quality through advancing the capabilities needed for sustainable growth.

I am pleased that the Bank delivered a resilient performance in Financial Year 2026 ("FY2026"). Profit after tax increased by 6.0% year-on-year ("y-o-y") to RM4.5 billion, while total assets grew by 4.4% y-o-y to RM328.4 billion. Gross loans and financing expanded by 7.7% y-o-y to RM226.3 billion and customer deposits increased by 5.5% y-o-y to RM252.1 billion. Asset quality remained solid, with a gross impaired loan ("GIL") ratio of 0.57%.

Beyond these results, the Bank continued to strengthen its foundations for long-term growth. The progress of our transformation is enabling HLB to operate with greater agility, deepen customer relationships and respond more effectively to emerging opportunities and risks. It also reflects the disciplined investments we have made in our businesses, people and technology over recent years.

As we build on this progress, I am confident that HLB is well positioned to navigate the complex environment and continue creating sustainable value for our stakeholders. I am pleased to present the Annual Report and Financial Statements of the Bank for the financial year ended 30 June 2026.

ECONOMIC LANDSCAPE

The global economy maintained a steady but uneven growth trajectory in 2025 amid persistent uncertainty surrounding United States trade policy. Higher tariffs and frequent changes in the trade landscape weighed on business confidence and investment decisions though pre-tariff frontloading and several temporary pauses in tariff implementation helped cushion the impact on economic activity. As trade tensions began to ease towards the end of 2025 and into early 2026, renewed geopolitical conflict in the Middle East introduced another element of uncertainty. The resulting rise in energy prices and disruption to shipping through the Strait of Hormuz heightened inflationary concerns and placed additional pressure on global supply chains, weakening economic outlook as our financial year drew to a close.

On a more positive note, Malaysia's economy performed robustly despite these external pressures. Gross domestic product expanded by 5.7% y-o-y in the second half of 2025, with this healthy growth momentum continuing into the first half of 2026 at 5.7% y-o-y. In the first half of the year, growth was driven by positive net exports as AI-related demand continued to spearhead demand for Malaysia's electrical and electronics products. Steadfast domestic demand also provided added support to growth in the Malaysian economy amid a stable labour market and continuous realisation of investment projects.

CHAIRMAN'S STATEMENT

TRANSLATING RESILIENCE INTO SUSTAINABLE RETURNS

The Bank continued to deliver value to its shareholders in FY2026, recording a 6.0% y-o-y increase in profit after tax to RM4.5 billion. Operating profit before allowances rose by 6.6% y-o-y to RM4.2 billion, underpinned by growth in net interest income and non-interest income, together with disciplined cost management. The Bank improved its cost-to-income ratio from 38.7% last year to 37.6%, reflecting continued operating efficiency while investing in its strategic priorities.

Gross loans and financing expanded by 7.7% y-o-y to RM226.3 billion, driven by growth across key domestic segments and regional markets. Customer deposits increased by 5.5% y-o-y to RM252.1 billion, while CASA balances grew by 11.3% y-o-y to RM87.4 billion, raising the CASA ratio to 34.7%. Asset quality remained sound, with a GIL ratio of 0.57%.

Return on equity ("ROE") stood at 11.2% for FY2026, while earnings per share ("EPS") increased to 221.0 sen from 208.5 sen in FY2025. HLB's share price also rose by 9.2% y-o-y to close at RM21.40 on 30 June 2026, reflecting continued investor confidence in the Bank's performance and long-term prospects.

The Board declared a final dividend of 80.0 sen per share for FY2026. Together with the interim dividend of 30.0 sen per share, this brings the total dividend for the year to 110.0 sen per share, representing a robust uplift from the 96.0 sen per share declared in FY2025. This raises our dividend payout ratio to 50.4%, improving from 46.6% in the previous year, reflecting the Bank's strong earnings performance and our commitment to delivering sustainable returns to shareholders while retaining sufficient capital to support continued growth.

TOTAL ASSETS

RM328.4 billion

4.4% y-o-y

PROFIT AFTER TAX

RM4.5 billion

6.0% y-o-y

GROSS LOANS AND FINANCING

RM226.3 billion

7.7% y-o-y

GIL RATIO

0.57%

TOTAL DIVIDEND

110.0 sen

14.0 sen from the prior year

payout ratio of 50.4%, increase from 46.6%

CHAIRMAN'S STATEMENT

ISLAMIC BANKING PERFORMANCE

Malaysia's Islamic finance sector expanded further in 2025, with Islamic financing exceeding RM1.2 trillion, recording a 7.7% annual growth rate. Supported by strong capitalisation, sound asset quality and a progressive regulatory framework, the sector continues to serve as an important pillar of Malaysia's financial system and its leadership in global Islamic finance.

Against this industry context, Hong Leong Islamic Bank Berhad ("HLB Islamic") delivered a steady performance in FY2026. Total assets increased by 3.8% y-o-y to RM70.3 billion, while gross financing grew by 9.0% y-o-y to RM54.0 billion, supported by broad-based expansion across the retail, SME and corporate segments. Operating profit before impairment allowances rose by 6.1% y-o-y to RM831.0 million, while profit before zakat and taxation stood at RM777.4 million for FY2026.

HLB ISLAMIC TOTAL ASSETS

RM70.3 billion

3.8% y-o-y

HLB ISLAMIC GROSS FINANCING

RM54.0 billion

9.0% y-o-y

Beyond its financial performance, FY2026 marked an important step in the continued evolution of HLB Islamic within the Bank. Its refreshed brand identity and strengthened proposition reflect a broader ambition to provide more integrated Shariah-compliant banking and wealth solutions, while positioning the franchise to contribute more meaningfully to the Bank's future growth. Our commitment to business excellence was recognised with several prestigious industry accolades throughout the year. Most significant were recognitions as the Best Islamic Bank for SME Banking at the Global Islamic Finance Awards, Best Islamic Retail Banking Brand in Malaysia at the Islamic Retail Banking Awards and the Islamic Finance Services Excellence Award at the World Halal Excellence Awards.

Looking ahead, HLB Islamic will focus on deepening customer relationships, strengthening its wealth management capabilities and expanding its engagement with SMEs and businesses within the halal economy. Supported by sound governance, disciplined execution and continued investment in digital capabilities, HLB Islamic is well positioned to broaden its reach and deliver sustainable long-term value.

REGIONAL PERFORMANCE

Our regional operations delivered a solid performance in FY2026 despite varied economic and market conditions. Singapore and Vietnam maintained healthy growth momentum, Cambodia navigated a more challenging operating environment with discipline, while our associate in China contributed meaningfully to the Bank. Collectively, these businesses reinforce the value of HLB's diversified regional presence and our ability to pursue growth while maintaining prudent risk management.

In Singapore, HL Bank Singapore ("HLBS") achieved a commendable growth with gross loans expanding by 21.5% to RM13.0 billion, while deposits increased by 3.3% to RM18.6 billion as at 30 June 2026. In local currency terms, loans and deposits expanded by 27.8% and 8.7% respectively. HLBS continues to enhance its Private Bank proposition and broader financial services capabilities across Business and Commercial Banking, HLB Private Bank and Personal Financial Services.

In Vietnam, Hong Leong Bank Vietnam Ltd ("HLBVN") maintained its growth momentum, with loans increasing by 12.7% y-o-y to RM2.5 billion and deposits rising by 7.4% to RM2.4 billion. In local currency terms, loans and deposits grew by 17.6% and 12.1% respectively. HLBVN also advanced its digital transformation through an embedded finance ecosystem designed to assist SMEs in managing their operational and tax compliance requirements more efficiently.

In Cambodia, Hong Leong Bank (Cambodia) PLC ("HLBCAM") closed the year with a loan portfolio of RM1.6 billion, deposits of RM1.8 billion and total assets of RM2.6 billion. The operating environment was challenging amid pressure on asset quality and softer credit demand. In response, HLBCAM maintained a disciplined approach to risk management while continuing to strengthen its customer proposition and operational continuity.

Our associate in China, Bank of Chengdu Co., Ltd ("BOCD"), continued to demonstrate resilience and contributed RM1.4 billion to the Bank's bottom line. Drawing on its strong retail franchise, deep local presence and alignment with national and regional development priorities, BOCD sustained steady business momentum while maintaining sound asset quality. Its GIL ratio remained healthy at 0.68%, with a comfortable loan impairment coverage of 426% as at June 2026.

CHAIRMAN'S STATEMENT

HLBS GROSS LOANS

RM13.0 billion

21.5% y-o-y

HLBVN GROSS LOANS

RM2.5 billion

12.7% y-o-y

STRENGTHENING OUR FOUNDATIONS FOR THE FUTURE

Long-term resilience depends on more than financial strength. It requires ongoing investment in the technology, people and sustainability competencies that enable the Bank to serve customers effectively, manage emerging risks and create long-term value.

Technology continues to reshape how the Bank serves customers, supports employees and manages an increasingly complex operating environment. As Artificial Intelligence ("AI") becomes more deeply integrated into banking, our focus is not on adoption for its own sake, but on applying it responsibly where it can strengthen decision-making, improve service delivery and enhance operational stability.

Our approach balances innovation with appropriate control over our technology, data and intellectual property, supported by sound security, governance and risk management. By combining human judgement with AI-enabled capabilities, we aim to equip our people to work more effectively and position the Bank to respond with greater speed, insight and adaptability, without compromising the trust placed in us.

In the retail space, HLB Connect continued to deepen its role as customers' primary digital banking platform. Registered users increased by 6% y-o-y to 3.32 million, while online financial transactions grew by 24% to 410 million during the year. Digital channels accounted for 96% of all retail transactions, reflecting customers' continued shift towards convenient and accessible digital banking. As reliance on these channels grows, we continue to strengthen our security features and safeguards to protect customers' assets and maintain trust in our platforms.

Our responsibility to customers extends to periods of financial difficulty and disruption. During the year, HLB reaffirmed its support for individual and business customers affected by the conflict in the Middle East by offering tailored financial solutions and flexible repayment arrangements based on their circumstances. We also facilitated access to Bank Negara Malaysia's ("BNM") SME Stabilisation Relief Facility for SMEs experiencing temporary operational and cash flow pressures, helping viable businesses meet their working capital needs and maintain business continuity.

Our people remain central to the Bank's continued progress. Their knowledge, judgement and commitment enable HLB to serve customers effectively, manage risk responsibly and translate our strategic priorities into measurable results. As banking becomes increasingly digital and AI-enabled, we continue to invest in developing the capabilities that our employees need to adapt, contribute and grow with the organisation.

During the year, we also strengthened our leadership bench through a combination of external appointments and internal progression. New Managing Directors were appointed for Global Markets, HLBCAM and HLBHK.

Sustainability is deeply embedded in our strategy and aligned with Malaysia's climate ambitions under the National Energy Transition Roadmap, the National Climate Change Policy 2.0 and the national aspiration to achieve net zero emissions by 2050.

CHAIRMAN'S STATEMENT

We further embedded climate risk into our risk management framework and risk appetite statement and completed emission baselines across the seven initial Partnership for Carbon Accounting Financials ("PCAF") asset classes.

We also issued our first International Sustainability Standards Board-aligned statement under the National Sustainability Reporting Framework. This represents an important step in advancing our disclosure readiness and internal capabilities ahead of full compliance in FY2028. At the same time, we worked with customers through advisory and engagement sessions designed to improve their awareness and preparedness on key environmental, social and governance matters.

ANCHORING TRUST THROUGH GOVERNANCE

Strong governance is fundamental to the Bank's long-term stability and the trust placed in us by our stakeholders. Our framework of internal controls and risk management provides the checks and balances needed to navigate an increasingly complex regulatory and risk environment. This framework operates under the oversight of the Board Audit Committee ("BAC"), Board Risk Management Committee ("BRMC"), Risk and Compliance Governance Committee ("RCGC") and Financial Crime Governance Committee ("FCGC").

We continue to embed a strong compliance culture through our induction programmes, ongoing e-learning and targeted capability-building. Key initiatives include the Compliance and Financial Crime Compliance Academy, which deepens employees' understanding of key compliance responsibilities, and the Compliance Advisory Clinic, which facilitates continuous engagement between Group Compliance and business units. In addition, we optimised our internal communications through Compliance Extra and Compliance Lens, helping employees stay informed of key developments and emerging risks. We remain committed to advancing employee skills and certifications in regulatory compliance, anti-corruption and financial crime compliance to stay ahead of changing regulatory demands.

Protecting customer data and privacy remains a key priority, supported by physical, electronic and procedural safeguards including investments in secure systems and infrastructure. As part of our commitment, we reinforced our governance of data protection and banking secrecy following amendments to the Personal Data Protection Act and BNM Policy Document on Management of Customer Information and Permitted Disclosures.

We maintain a zero-tolerance stance on bribery and corruption. Our Anti-Bribery and Corruption Programme, overseen by the BAC, BRMC and RCGC, is underpinned by strong policies and procedures, and we communicate compliance expectations to employees and external parties.

More broadly, we continue to monitor regulatory developments closely to ensure seamless compliance, and strengthen our financial crime compliance framework to address risks relating to money laundering, terrorism financing, restricted activity financing and sanctions. These measures reinforce the integrity of our operations and affirm the Bank's role as a responsible steward of the financial system.

CHAIRMAN'S STATEMENT

OUTLOOK

The global economic outlook is expected to be moderate and vulnerable to geopolitical and trade uncertainties. Global growth is projected at 3.0% in 2026 before improving to 3.4% in 2027, underpinned by investment in technology, strong labour markets and broadly accommodative financial conditions. Nevertheless, developments in the Middle East, the pace of normalisation in energy prices and global supply chains, and further changes in trade policy will shape the operating environment.

Malaysia is expected to demonstrate comparative resilience, with growth projected in the range of 4.0% to 5.0% in 2026. AI-related demand and favourable commodity prices will help cushion external headwinds, and will keep Malaysia on an expansionary path. The country's position as a net energy exporter and its sound economic fundamentals will offer additional boost.

Over the medium term, structural initiatives such as the New Industrial Master Plan 2030, the National Energy Transition Roadmap and the Johor-Singapore Special Economic Zone are expected to catalyse investment and strengthen Malaysia's growth prospects. Against this setting, the Bank will apply discipline in managing risk, supporting customers and pursuing opportunities aligned with our long-term strategic priorities.

ACKNOWLEDGEMENTS

I extend my appreciation to the members of the Board for their sound judgement, commitment and guidance throughout the year. Their stewardship has been instrumental in helping the Bank navigate an evolving and complex operating environment.

To our customers, business partners, investors and shareholders, thank you for the trust and confidence you have placed in HLB. Your confidence underpins our progress and our commitment to delivering sustainable long-term value.

I wish to recognise our employees for their dedication and collective efforts during the year, and the senior management team for translating our strategic priorities into action with discipline and focus.

My sincere thanks also go to BNM, the Ministry of Finance, government agencies and regulatory authorities for their guidance, engagement and support.

The year ahead will bring further change and uncertainty. Nevertheless, I am confident that the Bank has the capabilities, discipline and clear sense of purpose needed to address the challenges ahead and create meaningful value for all stakeholders.

QUEK LENG CHAN
Chairman

18 September 2026

FIVE YEAR FINANCIAL HIGHLIGHTS

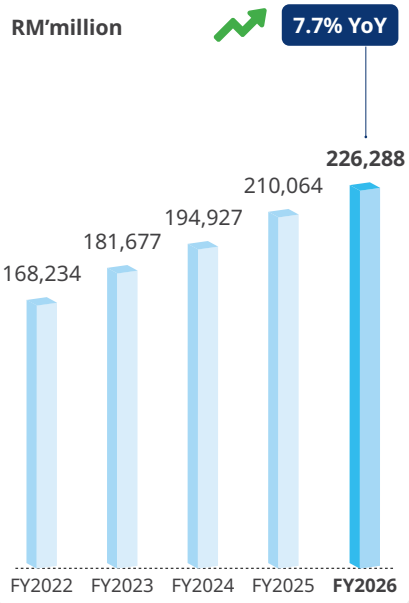
Group	FY2022 RM'million	FY2023 RM'million	FY2024 RM'million	FY2025 RM'million	FY2026 RM'million
Total Assets	254,331	279,850	297,789	314,618	**328,411**
Gross Loans, Advances and Financing	168,234	181,677	194,927	210,064	**226,288**
Customer Deposits	197,292	211,652	220,433	238,926	**252,064**
Demand and Savings Deposits (CASA)	66,051	65,097	71,617	78,527	**87,386**
Shareholders' Fund	30,989	33,987	37,294	39,287	**41,790**
Profit Before Tax	4,367	4,627	5,134	5,360	**5,480**
Profit After Tax	3,289	3,818	4,196	4,273	**4,531**
Earnings Per Share (sen)	161	186	205	208	**221**
Net Dividend Per Share (sen)	55	59	68	96	**110**
Dividend Payout Ratio	34.7%	32.0%	33.6%	46.6%	**50.4%**

Bank	FY2022 RM'million	FY2023 RM'million	FY2024 RM'million	FY2025 RM'million	FY2026 RM'million
Total Assets	198,130	215,057	226,380	238,798	**248,233**
Gross Loans, Advances and Financing	128,054	136,343	145,166	156,773	**168,462**
Customer Deposits	155,007	162,733	165,753	179,112	**188,817**
Shareholders' Fund	22,399	23,586	25,449	27,250	**28,032**
Profit Before Tax	3,196	2,729	3,831	3,964	**3,801**
Profit After Tax	2,212	2,077	2,885	3,004	**2,932**

FIVE YEAR FINANCIAL HIGHLIGHTS

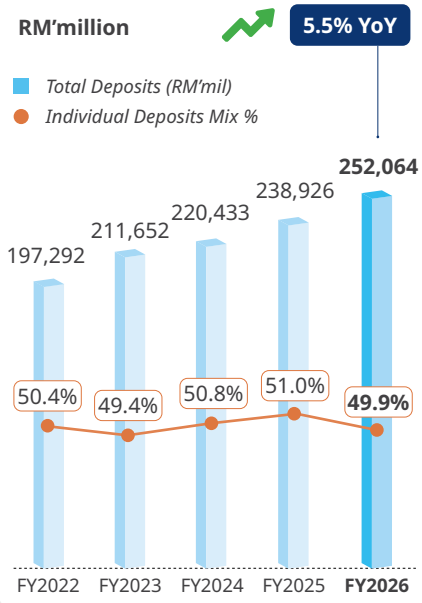
Gross Loans, Advances and Financing

Commendable growth momentum driven by expansion in key segments of mortgages, auto loans, SME and commercial banking as well as key overseas markets



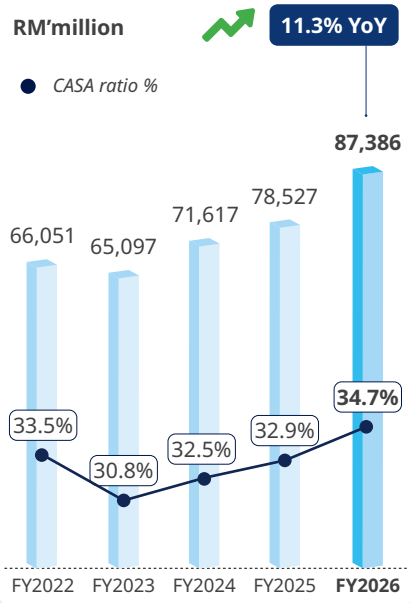
Deposits from Customers

Stable funding base backed by CASA growth and solid individual deposit base



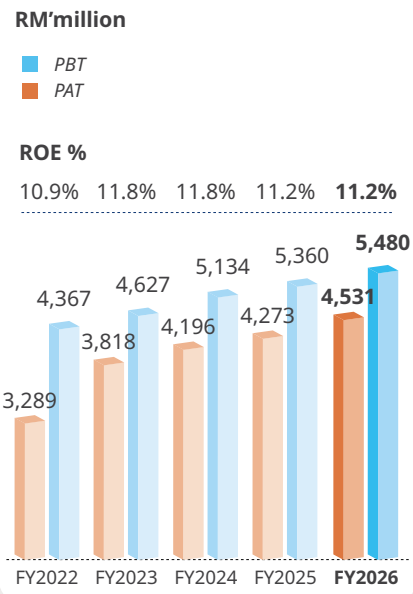
CASA

Delivering higher CASA mix through effective community deposit acquisition initiatives and innovative cash management solutions



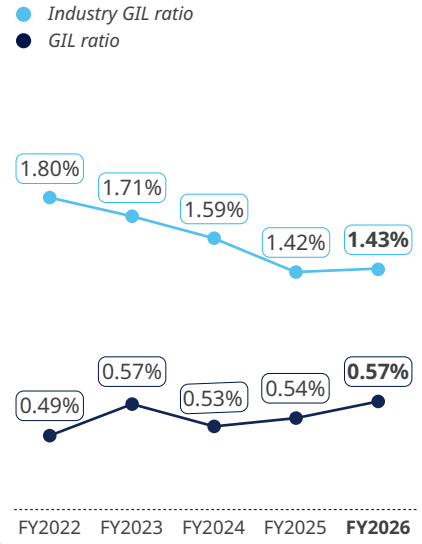
Profitability

Resilient performance amidst challenging operating environment and global headwinds



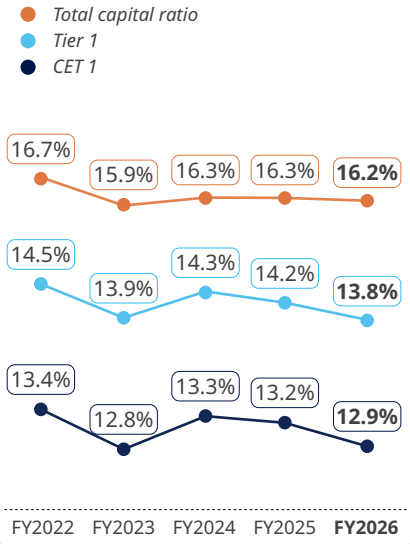
Asset Quality

Solid asset quality position with adequate loans/financing impairment coverage



Capital Ratios

Prudent liquidity and capital positions which remained supportive of business growth and dividend payout



GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER'S REVIEW

Dear Shareholders, Customers and Business Partners,

FY2026 was a year of meaningful progress for Hong Leong Bank ("HLB" or "the Bank"), achieved amid a global environment shaped by trade uncertainty, geopolitical tensions and renewed pressure on energy markets and supply chains. Against these conditions, Malaysia's economic resilience and sustained domestic demand provided an important anchor for businesses and households.

The Bank concluded the financial year with total assets of RM328.4 billion, gross loans and financing of RM226.3 billion, customer deposits of RM252.1 billion and profit after tax of RM4.5 billion. These results reflect the strength of our franchise, the trust placed in us by our customers and stakeholders, and the disciplined execution of our strategic priorities across the organisation.

FY2026 marked an important phase in our 3-5 Year Transformative Plan. With unprecedented advancements in Artificial Intelligence ("AI") technology via breakthrough in Agentic AI, we saw both the opportunities and the threats of such developments and accelerated beyond implementing individual business and functional initiatives towards connecting them more effectively with AI across the Bank, enabling our business, people and technology platforms to operate with greater intelligence, speed and agility. This progress was reflected in stronger customer propositions, deeper AI and digital adoption, and continued expansion in our strategic growth engines with sustained operating cost and risk discipline.

As we move forward, we remain focused on supporting our customers, strengthening the quality of our earnings and progressing towards our ambition of becoming the Best Run Bank in Malaysia in a uniquely HLB branded way that is both thoughtful and responsible.

ECONOMIC LANDSCAPE

Malaysia's economy sustained its positive momentum in 2025, expanding by 5.2% compared with 5.1% in 2024 despite persistent uncertainty surrounding United States trade policy. Growth was driven primarily by domestic demand, as private consumption and investment helped offset the contraction in net exports.

Household spending benefited from a stable labour market, continued wage growth, supportive government measures and the ongoing recovery in tourism. Investment activity also gained traction as major projects progressed more steadily. On the supply side, growth was broad-based, led by the services and manufacturing sectors.

The operating environment became more challenging towards the close of our financial year. Renewed geopolitical tensions in the Middle East, higher energy prices and disruptions to global supply chains added to inflationary and market uncertainty. Even so, Malaysia's sound economic fundamentals and relatively resilient domestic economy provided an important platform for businesses and households.

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER'S REVIEW

TOTAL INCOME

RM6,693 million

4.6% y-o-y

PROFIT BEFORE TAX

RM5,480 million

2.2% y-o-y

PROFIT AFTER TAX

RM4,531 million

6.0% y-o-y

OPERATING PERFORMANCE

HLB delivered a resilient performance for FY2026 despite a more complex external environment, achieving a profit after tax of RM4,531 million, driven by sustained top-line growth, strategic cost management and solid asset quality.

Total income rose by 4.6% y-o-y to RM6,693 million, with net interest margin ("NIM") prudently managed at 1.84% as a result of loans/financing portfolio expansion and strategic funding cost management. Non-interest income ("NoII") maintained its momentum, increasing 9.3% y-o-y on the back of scaling wealth management business and global markets franchise sales, improving the NoII ratio to 24.0%.

We effectively managed our operating expenses at RM2,514 million, yielding positive JAWS through AI realisation and our continuous emphasis on strategic cost management initiatives, achieving a sustainable cost-to-income ratio of 37.6%. Consequently, operating profit before allowances was higher by 6.6% y-o-y to RM4,179 million, while profit before tax grew 2.2% to RM5,480 million. The moderation in growth rate was attributable to a lower profit contribution from associated company, Bank of Chengdu Co., Ltd ("BOCD") following the natural dilution of the Bank's stake in BOCD with the completion of its convertible bonds' conversion in the previous financial year, together with the foreign exchange translation impact from a stronger ringgit.

Gross loans, advances and financing increased by 7.7% y-o-y to RM226.3 billion, driven by expansion in key segments of mortgages, auto loans, SME and commercial banking segment as well as key overseas markets.

Customer deposits expanded by 5.5% y-o-y to RM252.1 billion while CASA balances grew at a faster pace of 11.3% to RM87.4 billion, bringing the CASA ratio higher at 34.7%. The Bank's funding base remained solid, with individual deposits portfolio accounted for 49.9% of total deposits. Our loan-to-deposit ratio ("LDR") stood at 88.7%, with the rolling 12-month average liquidity coverage ratio at 127.0%, comfortably above regulatory requirements.

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER'S REVIEW

NOII

RM1,608 million

9.3% y-o-y

NoII ratio of 24.0%

GROSS LOANS AND FINANCING

RM226.3 billion

7.7% y-o-y

CASA RATIO

34.7%

CIR

37.6%

Asset quality remained solid, with a gross impaired loan ("GIL") ratio of 0.57%. The loan impairment coverage ("LIC") ratio stood at 79.5%. Inclusive of the value of securities held against our GIL, the Bank's LIC ratio was well-managed at 149.5%, whilst with regulatory reserve, the coverage ratio was comfortably at 244.1%. Capital levels also remained healthy, with CET 1, tier 1 and total capital ratios of 12.9%, 13.8% and 16.2% respectively.

RECOGNITION OF OUR TRANSFORMATIVE PROGRESS

FY2026 marked another year of disciplined execution under our 3-5 Year Transformative Plan. Across the Bank, we continued to advance the initiatives needed to build a stronger, more agile and competitive franchise, while maintaining focus on sustainable growth, operational efficiency and prudent risk management.

The progress made over the past three years received meaningful external recognition when HLB was named Best Managed Bank in Malaysia, while I was honoured to be named Best Bank CEO in Malaysia at The Asian Banker ("TAB") Global Leadership Achievement Awards 2026. This was not a recognition based on a single year or a general industry vote. The evaluation involved a multi-month independent panel review of the Bank's financial performance over three years, its strategic initiatives and the consistency between management's stated vision and the progress achieved. It also assessed the Bank's response to challenges, market competitiveness, leadership alignment and investment in human capital for a sustainable and digital future.

Beyond affirming our steady and consistent performance, these accolades recognised HLB for advancing our "Quantum Growth Mindset" and "One Bank philosophy". The assessment also highlighted our progress in strengthening customer centricity, improving cross-segment integration, expanding SME banking capabilities and accelerating digital transformation, including process improvements, digital onboarding and AI-enabled workforce initiatives.

These recognitions affirm that our transformation is producing tangible outcomes across the organisation. More importantly, they reflect the collective effort of our Board, leadership team and employees in translating strategy into execution. As we move into the next phase of the Transformative Plan, our focus is on building on this foundation and converting stronger institutional capabilities into deeper customer relationships, more sustainable earnings and long-term value for all stakeholders.

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER'S REVIEW

REDEFINING CUSTOMER EXPERIENCES THROUGH THOUGHTFUL AND RESPONSIBLE INTERACTIONS

Our brand promise, "Built Around You", has guided HLB since 2019, anchored initially on making banking more personalised, easy and proactive. While we have made meaningful progress, customer expectations have grown and competitive standards have also advanced. Convenience and personalisation are increasingly baseline expectations. The next stage requires us to bring greater empathy and reliability to every interaction, particularly when customer needs must be balanced against considerations such as security, risk, cost and long-term financial wellbeing.

During the year, we sharpened this promise through two guiding principles: being **Thoughtful and Responsible ("T&R")**. Being thoughtful means taking the time to understand, simplifying where possible and providing practical guidance. Being responsible means doing what is right, protecting trust, keeping our commitments and making decisions that stand up over time. Together, these principles encourage our people to exercise judgement rather than defaulting to the fastest or easiest answer, and to seek the right balance between customer convenience and the Bank's responsibilities.

We are embedding this mindset from within the organisation. T&R is being incorporated into team discussions, departmental practices, key result areas and performance conversations, with employees encouraged to interpret what thoughtful and responsible behaviour means within their own roles. Whether resolving a customer dispute, designing a digital journey, advising on a financial solution or collaborating across functions, the objective is to translate our values into consistent decisions and actions.

Our HLB Internal Net Promoter Score ("Internal NPS") programme provides one way to assess whether this culture is taking hold across the Bank. Rather than measuring individual performance, it gauges the service quality and working relationships between teams, enabling employees to provide professional and constructive feedback on the colleagues and functions with whom they work most closely. While there have been improvements in the Internal NPS metric, more importantly, it gives us a structured basis for improving responsiveness, collaboration and ownership internally, because the quality of service we provide to one another ultimately shapes the experience we deliver to customers.

On the ground, we are bringing these principles to life by redesigning how customers engage with the Bank across our physical and digital channels. During the year, we expanded the Meet@HLB concept beyond its initial pilot at Eco Majestic to Kulim Hi-Tech Park (Kedah), Eco Spring (Johor), Eco Sanctuary (Selangor), Servay Penampang (Sabah) and Plaza Merdeka (Sarawak). Located within emerging townships, residential developments and lifestyle hubs, these community branches adapt their operating hours to the communities they serve, with selected locations open seven days a week. By combining digital convenience and self-service capabilities with access to in-person advice, Meet@HLB allows us to provide a fuller retail banking experience closer to where customers live and work.

We also completed our newly reimagined Puchong Jaya flagship branch, featuring a dedicated HLB Priority lounge, advanced self-service facilities and spaces designed to support more meaningful conversations. Together, these formats reflect our broader approach to being a "Digital Bank Plus Much More": using our physical network not simply as transactional points, but as integrated hubs where customers can access digital tools, personalised service and a wider range of financial solutions. Further transformation work is progressing at our Kepong iconic branch, alongside a wider pipeline of branch refurbishments and potential new locations.

Meet@HLB in Servay Penampang (Sabah)

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER'S REVIEW

Our digital channels have evolved in parallel. In FY2026, we introduced in-app provisioning for Apple Pay, enabling eligible HLB and HLB Islamic Visa cardholders to add their cards to Apple Wallet directly through HLB Connect and transact securely across compatible devices. This enhancement adds another convenient payment option within the digital banking experience and reflects our focus on removing friction from customers' everyday interactions with the Bank.

Our efforts are reflected in our customer metrics. We achieved a Customer Satisfaction ("CSAT") Top 2 Box score of 78% and a Customer Net Promoter Score ("NPS") of +20, moving us closer to our respective targets of more than 80% and +30. Performance across our channel and product application surveys also improved, with all areas meeting the CSAT mean target of 4.35 and recording higher NPS scores.

ADVANCING OUR STRATEGIC GROWTH DRIVERS

SMEs, franchise fee income from client flows, wealth management and our regional businesses have been identified as the key engines of growth. During the year, we advanced each of these businesses through a combination of deeper customer engagement, sharper propositions, digital enablement and targeted investments in specialised capabilities.

Our SME business sustained strong momentum in FY2026 with gross loans and financing expanded 9.9% y-o-y, outperforming the broader industry and reflecting the effectiveness of our customer acquisition strategy, expanded sales coverage and advisory-led engagement model. Within this SME segment, our community SME banking initiative increased 12.9% y-o-y.

SME GROSS LOANS AND FINANCING

9.9% y-o-y

We expanded our specialist SME salesforce by approximately 10% to more than 200 bankers nationwide, broadening our reach across both borrowing and non-borrowing customers. This enables us to engage businesses earlier in their development, understand their operating requirements more closely and provide relevant solutions across financing, deposits, cash management, trade and treasury services.

At the same time, we maintained a strong on-the-ground presence through direct engagement with trade associations, government-linked bodies and business communities nationwide. Our "*Business Matters with HLB*" series provided customers with practical perspectives on issues including evolving tariff policies and Budget 2026, complementing our banking solutions with insights relevant to their strategic and operating decisions.

We also advanced our efforts to improve access to financing within the motorcycle dealer ecosystem. Our collaboration with DCAP Digital Sdn Bhd combines HLB's financing capabilities with an AI-enabled loan origination and credit-assessment platform, helping streamline applications under the Bank's Dealer Hire Purchase Programme. This was complemented by the renewal of our collaboration with the Malaysia Motorcycle and Scooter Dealers Association, whose network gives us broader access to dealers across the country. The combination of digital credit capabilities and industry partnerships allows us to serve the ecosystem more comprehensively, while contributing to greater financial inclusion among smaller businesses.

Our cumulative efforts to serve our SME customers better were recognised when HLB was named Best SME Bank in Malaysia by Asian Banking & Finance for the fifth consecutive year.

Our digital capabilities progressed further with the launch of HLB ConnectPro in December 2025. The platform consolidates collections, payments, foreign exchange and trade finance within a single corporate internet banking environment, which

Our next-generation corporate digital banking platform, positioning us to be the Transaction Banker of Choice for SME

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER'S REVIEW

deepens our role in our clients' operating activities and supports the growth of franchise fee income from client flows across both transaction banking and Global Markets. Together with our tablet-based onboarding capabilities, it provides a more integrated end-to-end proposition, enabling eligible business customers to open accounts and access digital banking services more efficiently, positioning us to be the **Transaction Banker of Choice for SMEs**. Corporate internet banking users increased by 17% during the year to approximately 190,000, demonstrating growing adoption of our business banking platforms.

In Global Markets, franchise income from client flows increased by 18.5% y-o-y in FY2026, driven by robust foreign exchange transaction volumes, the expansion of digital remittance and record client engagement across fixed income and structured products. Our whole-of-bank approach remained central to this progress, with Global Markets deepening collaboration across Wealth Management, Personal Financial Services and Business and Corporate Banking to develop tailored foreign currency and yield solutions for clients. Our capabilities were further recognised at The Asset Triple A Awards, where HLB achieved leading rankings across Local Currency Bonds, Credit Bonds and G3 Bonds.

FRANCHISE INCOME FROM CLIENT FLOWS

18.5% y-o-y

We also continued to advance our strategic objective of rebalancing Global Markets' revenue mix towards an equal contribution from trading and investments and client-led franchise income. By scaling digital client migration, deepening transaction flows and actively managing the balance sheet, we

Unveiling the new staff uniforms as part of HLB Priority's renewed brand identity

are building a more efficient and resilient platform that is less dependent on market-driven income. This remains important amid persistent global interest-rate differentials and macroeconomic volatility.

Our Regional Wealth Management business also continued to advance as a key growth engine. Assets Under Management grew by 15.7% y-o-y, supporting increased wealth management activities and contributing to the 19.9% higher wealth management and bancassurance income for NoII. During the year, we progressed the comprehensive wealth architecture established in FY2025, bringing together institutional investment expertise, personalised planning, portfolio solutions, financing capabilities and a differentiated client experience across HLB Private Bank and HLB Priority.

WEALTH MANAGEMENT AND BANCASSURANCE NOII GROWTH

19.9% y-o-y

At the core of this architecture is HLB Private Bank's focus on intergenerational wealth planning. Building on our strategic alliance with Lombard Odier, we continued to draw on its global experience in preserving, growing and transferring wealth to support business founders, families and future heirs through the financial and personal dimensions of succession.

This proposition was strengthened through our HLB Private Bank office at Guoco Tower in Singapore, continued investment in strategic capabilities and Wealth Symposiums in Singapore and Malaysia. We also broadened the range of institutional-grade strategies available to clients through private-market, income and market-neutral solutions developed with Gaia Investment Partners, JPMorgan Asset Management and BlackRock.

In February 2026, we announced the evolution of our affluent wealth management segment, now known as HLB Priority. This marks a strategic pivot towards a life stage-based approach designed to seamlessly support the entire financial journey of our clients from a child's first savings to legacy planning. The proposition was further enhanced through the landmark partnership with Asia OneHealthcare, four reimagined Priority Banking Centres and the launch of Portfolio Financing in Malaysia and Singapore,

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER'S REVIEW

which allows eligible clients to access liquidity against diversified investment portfolios without having to dispose of their underlying assets.

HLB Private Bank was named the Best Private Bank/ Wealth Manager in Malaysia and Singapore at the WealthBriefingAsia Awards while HLB Priority's transformation was recognised at The Digital Banker's Global Mass Affluent Wealth Awards 2026, where it received awards for Best Value Proposition for Emerging Affluent Clients and Best Bank or Wealth Manager for Emerging Affluent Clients – Malaysia.

Our regional businesses also advanced their strategic propositions, with a particular focus on strengthening connectivity across markets and developing solutions tailored to local customer needs. The introduction of LINKS on HLB Connect enables eligible customers to view their HLB Malaysia and Singapore accounts within a single digital interface and transfer funds instantly between both markets without fees, creating a more seamless banking experience for customers with financial interests across Malaysia and Singapore.

In Vietnam, we are pursuing a two-pronged strategy that combines growth in our traditional banking franchise with the development of a digital retail and SME bank anchored on our Digital Bank Plus Much More proposition. We advanced the digital pillar of this strategy through our partnership with So Ban Hang under an embedded financing initiative. This enables micro, small and medium enterprises to open HLB CASA accounts seamlessly within the So Ban Hang app and connect their banking transactions with tools for managing sales, inventory, cash flow and tax compliance. By embedding financial services more closely into customers' daily operations, we can engage businesses earlier, deepen relationships and support their growth beyond financing alone.

POWERING TRANSFORMATION THROUGH TECHNOLOGY AND PEOPLE

Our transformation is increasingly shaped by how effectively we bring technology and people together. As AI and advanced digital capabilities become more deeply embedded across the Bank, we are strengthening the skills, governance and operating disciplines needed to apply them responsibly and at scale. This allows us to improve customer engagement, accelerate decision-making and raise productivity, while ensuring that our people continue to exercise the judgement, accountability and empathy that remain central to banking.

We view AI not as a substitute for human capability, but as an amplifier of it. Our approach is guided by four considerations: sovereignty, security, sustainability and scalability. Together, these principles shape how we select technologies, govern their use and build the internal capabilities needed to generate lasting values.

Links on HLB Connect: Transferring money seamlessly between HLB Malaysia and Singapore accounts

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER'S REVIEW

Sovereignty is reflected in our continued investment in internal engineering capabilities and digital-native talent. Maintaining a strong in-house technology base enables us to retain institutional knowledge, exercise appropriate control over our data and intellectual property and respond more quickly to changing business requirements. We continue to work with strategic technology partners where they can add specialist expertise or accelerate delivery, while ensuring that critical capabilities and decision-making remain anchored within the Bank.

During the year, we expanded access to Gemini across the organisation, reflecting our focus on scalability by extending proven AI tools to a wider employee base. More than 65% of HLB employees are now active monthly users, demonstrating growing adoption across the Bank. This enterprise-wide deployment complements a broader AI ecosystem that includes customer and employee chatbots, document-processing applications and AI-enabled software development tools. By reducing the time spent on repetitive tasks, these capabilities allow employees to focus more on customer needs, problem-solving and higher-value decisions.

Security remains fundamental to how these technologies are deployed. We enhanced our AI-powered electronic Know Your Customer framework by incorporating biometric identity verification, facial recognition and deepfake detection. The solution enables secure straight-through processing across selected deposit, credit card and personal loan journeys, reducing onboarding friction and manual intervention while maintaining appropriate regulatory, risk and security safeguards.

We also continued to modernise our credit origination and underwriting capabilities through our partnership with WeBank Technology Services. This collaboration centres on the co-development of CrediOS, a modular core credit platform designed to reconfigure end-to-end customer journeys through next-generation digital architecture and AI-driven automation. The platform is being implemented progressively across four product pillars: Auto Loans, Credit Cards, Personal Loans and Retail SME Loans, with the final phase targeted for deployment in March 2027. By enabling faster processing, more informed decision-making and more personalised customer journeys, CrediOS will strengthen the scalability and consistency of our retail and SME lending capabilities, with appropriate governance and controls embedded throughout its design.

HLB Connect QR Pay enables seamless cross-border payments

Our collaboration with UnionPay International represents another application of data and technology to improve customer relevance and strengthen our payments proposition. HLB Connect QR Pay enables Malaysian travellers in China, Macau and Hong Kong to make payment by scanning merchants' QR codes with HLB Connect while enjoying competitive foreign exchange rates.

Our people strategy has progressed alongside these investments. During the year, we aligned culture, capability and performance more closely with our Quantum Growth ambitions, while promoting cross-functional mobility to develop more adaptable teams. We also strengthened the connection between key result areas, rewards and progression, reinforcing accountability for both business outcomes and how those outcomes are achieved.

As an early adopter of AI-enabled tools for frontline employees, we are using technology to reduce administrative burdens and shift work towards higher-value activity. Our aim is to create human-led, AI-assisted workflows in which employees retain responsibility for judgement, customer relationships and final decisions, while technology improves efficiency and provides better information at the point of need.

This transition requires sustained investment in capability-building. Our programmes include Cohen Brown sales and service training, Professional Scrum Product Owner certifications and the planned AI Realisation Programme. Together, these initiatives are intended to deepen customer advisory skills, strengthen agile ways of working and equip employees to operate confidently and responsibly in an increasingly AI-enabled environment.

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER'S REVIEW

Ultimately, the value of technology will depend on how effectively our people apply it. Responsible use ultimately depends on employee understanding and judgement. As we introduce more AI-enabled tools, we are strengthening the training, oversight and accountability needed to ensure that employees understand both the opportunities and limitations of these technologies. Human responsibility remains integral to customer relationships and final decisions, even where AI improves speed, insight and consistency.

ANCHORING LONG-TERM PROFITABILITY THROUGH RESPONSIBLE PRACTICES

Sustainability remains integral to our plan and it guides how we manage risk, enable low-carbon growth, support inclusive communities and create long-term value for our customers, employees and stakeholders.

During the year, we completed our inaugural double materiality assessment, evaluating both the Bank's impacts and the sustainability matters that could affect our financial performance. Through engagement with internal and external stakeholders, we refined our material matters from 16 to 10, enabling a more focused approach to strategy, governance and disclosure. Key changes included reframing Digital at the Core as Digital Intelligence, reflecting the next phase of digitalisation, and Workforce Readiness as Workforce Transformation, recognising the increasing importance of upskilling and reskilling for an AI-enabled future. We also introduced Human and Labour Rights as a standalone material matter in response to heightened stakeholder and regulatory expectations.

Our approach continues to evolve in line with Malaysia's regulatory landscape, including Bank Negara Malaysia's ("BNM") revised Climate Risk Management and Scenario Analysis ("CRMSA") requirements and the National Sustainability Reporting Framework ("NSRF"), which adopts the International Sustainability Standards Board ("ISSB") standards. Since 2024, the Bank has regularly conducted climate scenario analysis across both its retail and non-retail portfolio as part of our annual stress test exercise.

We also maintained our commitment to sustainable finance, for projects in renewable energy, energy efficiency, green infrastructure and buildings, low carbon transportation and other impactful areas. Since establishing our goal to mobilise RM20 billion in sustainable finance by FY2029, our rapid progress has seen us cumulatively mobilise RM10.0 billion within the first two years, exceeding our cumulative targets by 40.4% for this period.

Phase 2 of the HLB Impact For Nature: Mangrove Rehabilitation and Restoration Project in collaboration with the Malaysian Nature Society

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER'S REVIEW

We exceeded our short-term operational emissions reduction target for our Malaysian operations, recording a 31.7% reduction in Scope 1 and Scope 2 greenhouse gas emissions against the FY2019 baseline.

We are now progressing towards net zero operational emissions for Scope 1 and Scope 2 by FY2030 in Malaysia. During the year, we expanded solar photovoltaic installations across seven branches and PJ City as part of our wider energy efficiency and conservation efforts.

Our environmental efforts also extend beyond operational emissions. We launched Phase 2 of the HLB Impact For Nature: Mangrove Rehabilitation and Restoration Project with the Malaysian Nature Society, pledging to plant an additional 50,000 trees to reach 100,000 mangrove trees at Kuala Selangor Nature Park. This phase incorporates a stronger social dimension through the employment, training, and empowerment of coastal communities in sustainable ecosystem management.

Our progress was reflected in improvements in external sustainability assessment scores, with HLB's MSCI ESG rating being upgraded from A to AA during the year. We also maintained our inclusion in the FTSE4Good Bursa Malaysia Index for the ninth consecutive year with a four-star rating, ranked in the 75th percentile in the S&P Global Corporate Sustainability Assessment and retained a Low ESG Risk score of 19.5 from Sustainalytics.

OUTLOOK

The global operating environment is expected to remain challenging and vulnerable to further geopolitical and trade-related disruption. Developments in the Middle East, the pace of normalisation in energy prices and global supply chains, and the evolution of trade policies of the major economies, will continue to shape business confidence and financial market conditions in the year ahead.

Malaysia is expected to remain comparatively resilient, supported by domestic demand, sound economic fundamentals and ongoing investment activity. Structural initiatives such as the New Industrial Master Plan 2030, the National Energy Transition Roadmap and the Johor-Singapore Special Economic Zone should continue to provide important medium-term growth catalysts.

For HLB, our priorities remain clear. We will continue to execute our 3-5 Year Transformative Plan with discipline, deepen our strategic growth engines and translate our investments in people and technology into stronger customer outcomes and more sustainable earnings. We will also preserve the balance that has guided our progress to date: pursuing growth while maintaining sound asset quality, prudent liquidity and operational efficiency.

The environment ahead will remain demanding, but the progress made across the Bank gives us confidence in our ability to respond with agility, support our customers and advance towards our ambition of becoming the Best Run Bank in Malaysia.

GROUP MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER'S REVIEW

ACKNOWLEDGEMENTS

As I reflect on the progress made during the year, I am grateful to everyone who contributed to the Bank's continued transformation and performance.

To the Board of Directors, thank you for your guidance, challenge and stewardship. Your perspectives have helped us navigate a more complex operating environment while keeping our long-term priorities firmly in view.

I extend my appreciation to our employees and management team for their commitment, adaptability and discipline. The progress described here reflects your collective effort in turning strategy into action and delivering for our customers every day.

To our shareholders, customers and business partners, thank you for your trust and confidence in HLB. Your continued engagement motivates us to keep improving and to create sustainable value over the long term.

I also wish to thank BNM, the Ministry of Finance, government agencies and regulatory authorities for their guidance and constructive engagement throughout the year.

As we enter the next phase of our transformation, we do so with a clear sense of direction and confidence in the capabilities we have built across the Bank.

KEVIN LAM
Group Managing Director/
Chief Executive Officer

18 September 2026

3-5 Year Transformative Plan Delivers Tangible Outcome

	FY2023		FY2026
CIR	39.3%	↘	**37.6%**
CASA ratio	30.8%	↗	**34.7%**
NoII ratio	19.9%	↗	**24.0%**
Credit charge	6 bps	↘	**4 bps**
Earnings per share	186 sen	↗	**221 sen**
Dividend payout ratio	32%	↗	**50%**

Business Growth

Gross loans
+7.6%
3Y CAGR

SME loans
+10.5%
3Y CAGR

Franchise sales income
2.1x

Wealth fee income
2.2x

Trade-related & other BCB fee income
1.6x

Engines of Growth

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

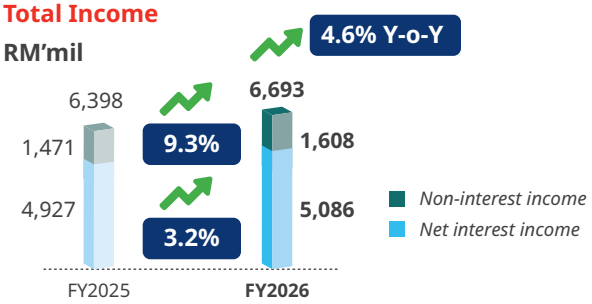
1 FINANCIAL HIGHLIGHTS

1 Resilient and Sustained Topline Expansion

Encouraging performance in loans/financing growth and expanding NoII contribution

Total Income

RM'mil



Loans/Financing

RM226.3 bil

7.7% Y-o-Y

Non-Interest Income ("NoII")

RM1.6 bil

9.3% Y-o-Y

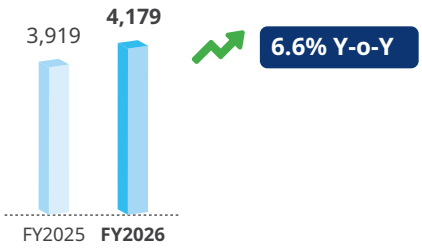
NoII ratio **24.0%**

2 Growth Engines Continued to Scale

Delivering broad-based expansion across core pillars

Operating Profit Before Allowances

RM'mil



Key growth areas:

Wealth Management

19.9%

fee income

Global Markets

18.5%

franchise sales income

Transport Vehicle

5.5%

loans/financing

Community SME Banking

12.9%

loans/financing

International Operations

27.8% 17.6%

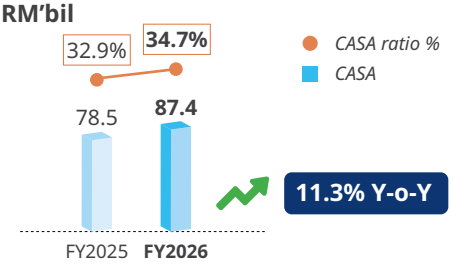
loans/financing *in local currency*

3 Solid Balance Sheet

Strong financial position to navigate through headwinds

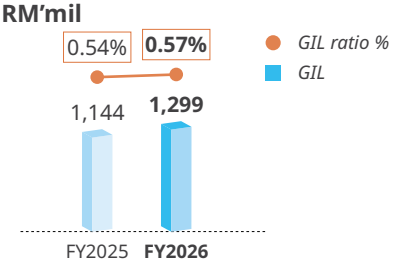
CASA

RM'bil

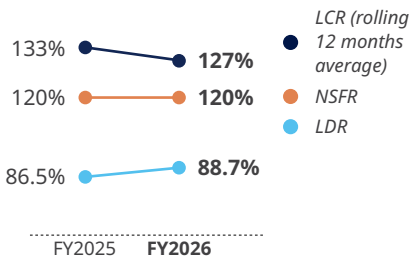


Gross Impaired Loan ("GIL")

RM'mil



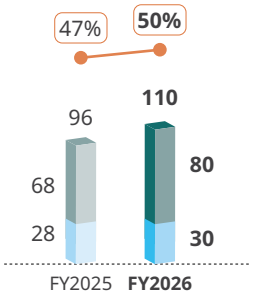
Liquidity Ratios



4 Higher Dividend

Improved dividend payout ratio to >50%, rewarding shareholders for loyalty and support

Declared Dividend



Total Dividend

110 sen

15% Y-o-Y

Dividend Payout Ratio

50%

3% Y-o-Y

Dividend Yield*

5.1%

Note:
** Based on share price of RM21.40 as at 30 June 2026*

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

SUMMARY OF GROUP PERFORMANCE

	FY2025	FY2026	Growth %
Profitability & Efficiency (RM'million)			
Total Income	6,398	**6,693**	4.6%
Operating Profit	3,919	**4,179**	6.6%
Profit Before Tax	5,360	**5,480**	2.2%
Profit After Tax	4,273	**4,531**	6.0%
Earnings Per Share (sen)	208	**221**	6.0%
Net Interest Margin	1.90%	**1.84%**	
Cost-to-Income Ratio	38.7%	**37.6%**	
Return on Assets	1.40%	**1.41%**	
Return on Equity	11.2%	**11.2%**	
Balance Sheet (RM'million)			
Total Assets	314,618	**328,411**	4.4%
Gross Loans, Advances and Financing	210,064	**226,288**	7.7%
Customer Deposits	238,926	**252,064**	5.5%
Asset Quality			
Gross Impaired Loan Ratio	0.54%	**0.57%**	
Loan Impairment Coverage Ratio	97%	**80%**	
LIC Ratio (provisions made on GIL and security value)	167%	**150%**	
LIC Ratio (provisions made on GIL and regulatory reserve)	258%	**244%**	
Liquidity and Capital Ratios			
Loan-to-Deposit Ratio (include IA and SRF)*	86.5%	**88.7%**	
Common Equity Tier 1 Capital Ratio	13.2%	**12.9%**	
Tier 1 Capital Ratio	14.2%	**13.8%**	
Total Capital Ratio	16.3%	**16.2%**	

Note:
** IA refers to Investment Accounts and SRF refers to Special Relief Facility.*

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

2 FY2026 KEY PERFORMANCE INDICATORS (KPIs)

	Target FY2026	Achieved FY2026
Gross Loans/Financing Growth	6.0%-7.0%	7.7% ✓
Net Interest Margin	1.80%-1.90%	1.84% ✓
Cost-to-Income Ratio	~39.0%	37.6% ✓
GIL Ratio	<0.65%	0.57% ✓
Net Credit Cost	<10 bps	4 bps ✓
CASA Mix	>32.0%	34.7% ✓
Return on Equity	11.5%-12.0%	11.2% ✗

The Bank delivered a commendable set of results in FY2026, meeting most of its key performance guidance.

- Gross loans, advances and financing grew by 7.7% y-o-y, surpassing guidance. Growth was led by mortgages, auto loans, SME and commercial banking as well as the Bank's key overseas markets.
- Net interest margin ("NIM") was managed at 1.84%, within the guided range, as loans/financing growth and funding cost management helped mitigate pressure from the softer interest rate environment.
- Benefits from the wider adoption of Artificial Intelligence ("AI"), together with strategic cost management, contributed to a cost-to-income ratio ("CIR") of 37.6%, outperforming the guidance of approximately 39%.
- Asset quality remained sound, with the gross impaired loan ("GIL") ratio at 0.57% and net credit cost at a benign 4bps. Both measures were well within guidance.
- Strong CASA growth lifted the CASA ratio to 34.7%, ahead of the target of above 32.0%.
- Return on equity ("ROE") stood at 11.2%, below the guided range. This was mainly attributable to the lower profit contribution from BOCD, consistent with the Bank's focus on growing its core franchise. BOCD accounted for 30.5% of the Bank's profit after tax in FY2026, compared with 33.5% of the Bank's normalised profit after tax in the previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

3 GUIDANCE FOR FY2027

BALANCED APPROACH: NAVIGATING GLOBAL UNCERTAINTY WITH DOMESTIC AGILITY

	Target FY2027
Gross Loans/Financing Growth	6.0%-7.0%
Net Interest Margin	1.80%-1.90%
Cost-to-Income Ratio	<39.0%
GIL Ratio	<0.65%
Net Credit Cost	<10 bps
CASA Mix	~35.0%
Return on Equity	11.0%-11.5%

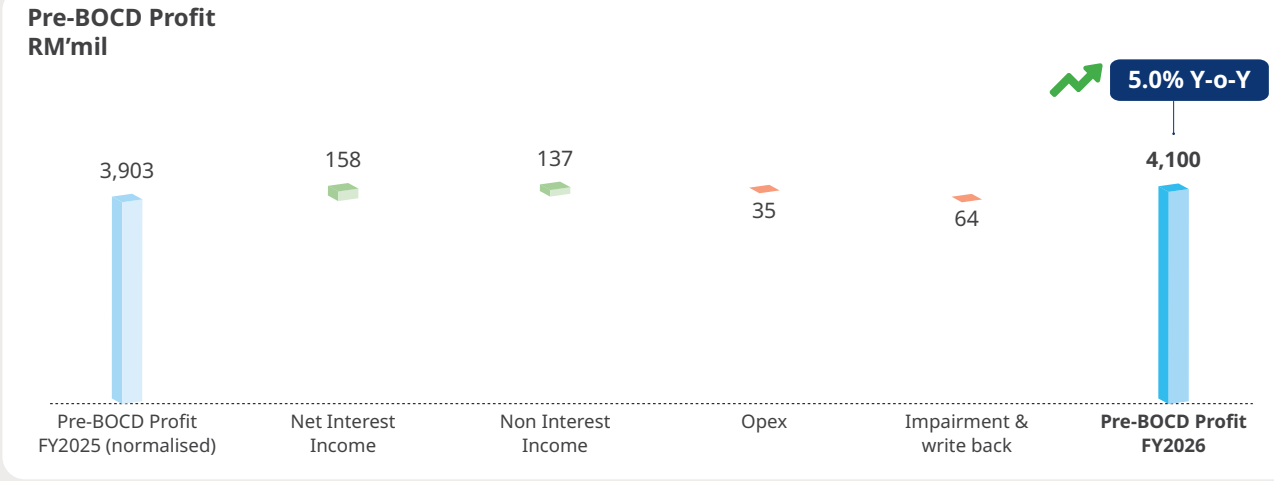
- Against continued global uncertainty, the Bank enters FY2027 with healthy business momentum, a sound balance sheet and strong asset quality. We will continue to execute our strategic priorities while maintaining disciplined management of funding, costs and risk.
- We are targeting loans/financing growth of between 6.0% and 7.0%. Asset quality will remain a priority, with the GIL ratio expected to stay below 0.65% and net credit cost below 10 bps.
- Through proactive funding cost management, we expect NIM to remain at a range between 1.80% and 1.90%.
- We will maintain cost discipline while pacing investments in wealth, digital and AI capabilities. Accordingly, we are targeting a CIR of below 39.0%.
- Continued deposit acquisition efforts are expected to uplift the CASA ratio to approximately 35.0%.
- Based on these targets, we expect to achieve an ROE of between 11.0% and 11.5% for FY2027.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

4 INCOME STATEMENT ANALYSIS

INCOME STATEMENT SUMMARY



RM' Mil	FY2025	FY2026	Change % (YoY)
Total income	6,398	**6,693**	4.6%
Operating expenses	(2,479)	**(2,514)**	1.4%
Operating profit before allowances	3,919	**4,179**	6.6%
Allowances for loans and other impairments [(i)]	(15)	**(79)**	>100%
Profit before associates contribution (normalised)	3,903	**4,100**	5.0%
One-off exceptional items:			
- Management overlay allowance ("MOA") release	399	**-**	
- Dilution loss from associates	(408)	**-**	
Share of profits from associates [(ii)]	1,466	**1,380**	-5.8%
Profit before tax	5,360	**5,480**	2.2%
Profit after tax	4,273	**4,531**	6.0%

Note: (i) Exclude one-off MOA release of RM399 million in Q3FY25; (ii) Impacted by natural dilution of stake in BOCD that contributed to 56% of the decrease while the remaining was due to FX translation impact from stronger ringgit.

Total income grew by 4.6% y-o-y to RM6.7 billion in FY2026, driven by higher net interest income and non-interest income. Operating expenses were managed at RM2.5 billion, resulting in positive JAWS as the Bank realised further benefits from AI adoption and strategic cost initiatives. Consequently, operating profit before allowances increased by 6.6% y-o-y to RM4.2 billion.

Loans and other impairment allowances amounted to RM79 million, reflecting normalised credit costs for the year. This translated into net credit cost of 4bps and gross credit cost of 12bps. Excluding the RM399 million MOA release in FY2025, normalised pre-BOCD profit grew by 5.0% y-o-y to RM4.1 billion, demonstrating the continued strength of the Bank's core franchise performance.

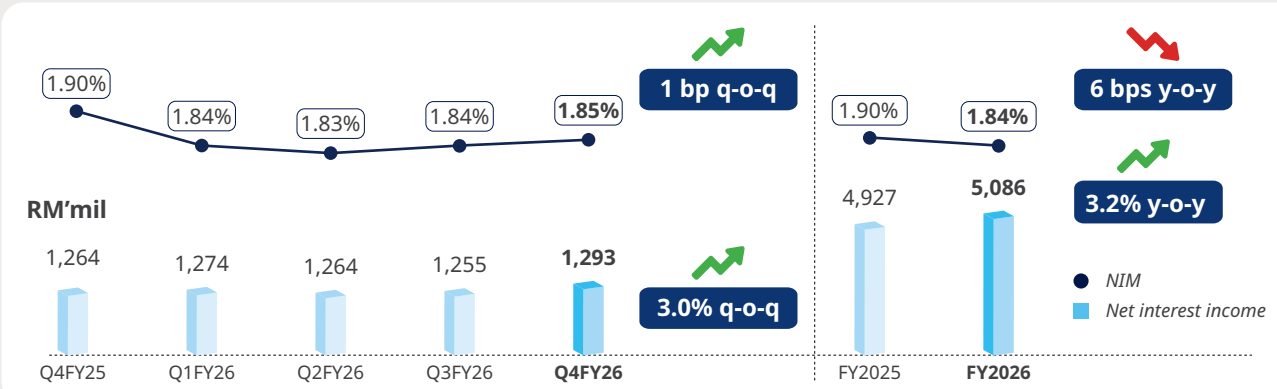
Profit contribution from overseas associates moderated to RM1.4 billion. This reflected the lower effective stake in BOCD following the completion of the conversion of the remaining convertible bonds in February 2025 and the foreign currency translation impact of a stronger Ringgit.

Against this backdrop, profit before tax increased by 2.2% y-o-y, while profit after tax rose by 6.0% y-o-y to RM4.5 billion.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

(A) Net Interest Income

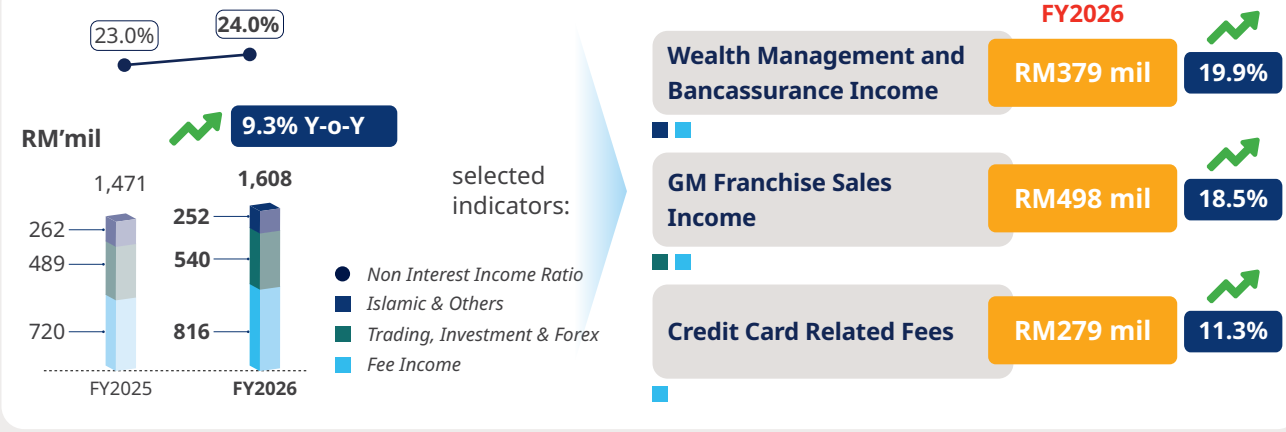


The Bank managed NIM at 1.84% in FY2026 amid a softer interest rate environment, including the 25bps reduction in the Overnight Policy Rate ("OPR") in July 2025 and heightened seasonal competition for deposits. Continued loans/financing growth and effective funding cost management contributed to a 3.2% y-o-y increase in net interest income to RM5.1 billion.

Interest income increased marginally to RM11.6 billion, as growth in the loans/financing portfolio helped cushion the impact of the OPR reduction.

At the same time, active management of funding costs reduced interest expense to RM6.6 billion.

(B) Non-Interest Income



Non-interest income increased by 9.3% y-o-y to RM1.6 billion in FY2026, driven by sustained momentum in wealth management and global markets franchise sales as well as higher gains from treasury activities. The non-interest income ratio consequently rose to 24.0%.

Fee income grew by 13.4% y-o-y to RM816 million, mainly driven by wealth management and bancassurance income which increased by 19.9% y-o-y to RM379 million, while credit card-related fees rose by 11.3% y-o-y to RM279 million.

Global markets franchise sales income expanded by 18.5% y-o-y to RM498 million, supported by higher foreign exchange transaction volumes, continued growth in digital remittance and a record level of client engagement.

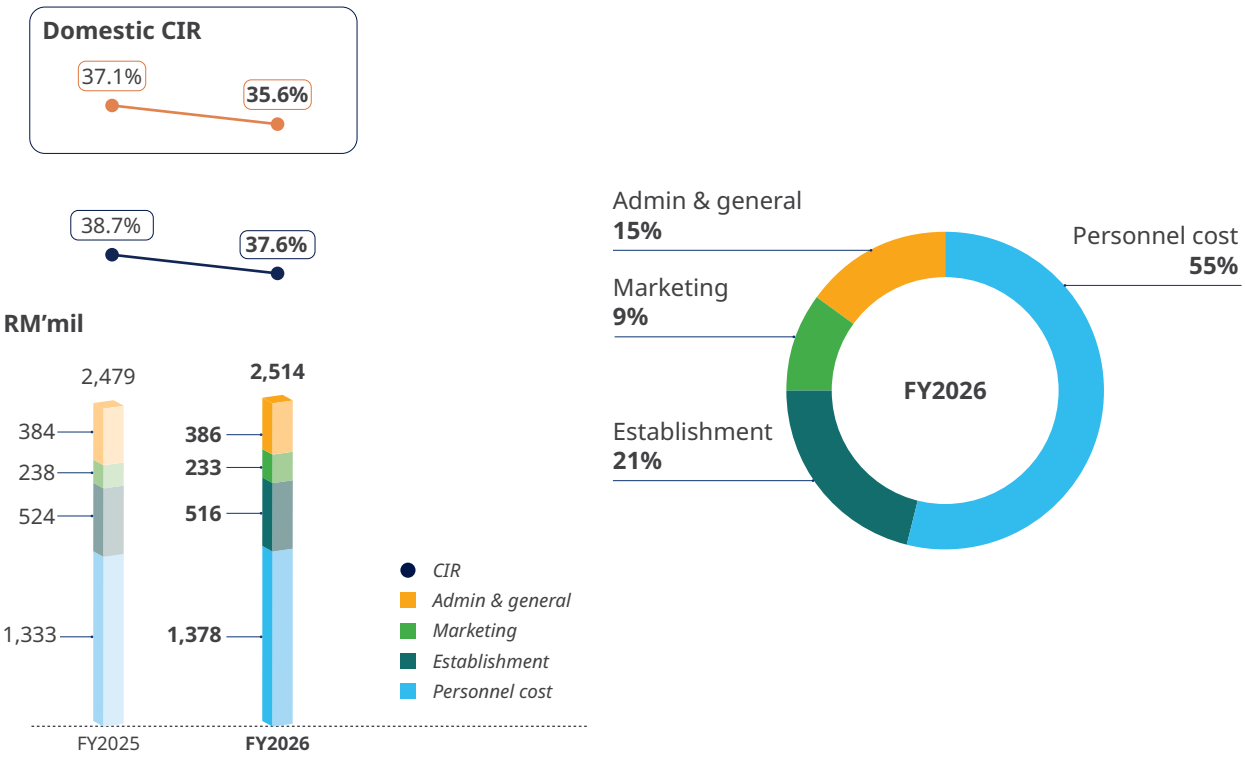
Trading, investment and foreign exchange gains increased by 10.4% y-o-y to RM540 million. Higher gains from the sale of financial assets and dividend income from wholesale funds more than offset lower foreign exchange gains during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

4 INCOME STATEMENT ANALYSIS

(C) Operating Expenses



Operating expenses were managed at RM2.5 billion in FY2026. Together with the growth in income, this generated positive JAWS and improved the CIR to 37.6%.

Personnel costs increased by 3.4% y-o-y to RM1.4 billion and accounted for 55% of total operating expenses. Productivity gains from the wider integration of AI enabled the Bank to redeploy talent towards revenue-generating areas. Establishment costs declined marginally from the preceding financial year.

Marketing expenses were contained at RM233 million, reflecting a focus on selected customer segments and more targeted deployment of campaign expenditure.

Administrative and general expenses were managed at RM386 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

5 GROSS LOANS, ADVANCES AND FINANCING

BROAD-BASED GROWTH ACROSS CORE MARKETS

Gross Loans, Advances and Financing by Domicile	FY2025		FY2026		
	RM'million	% Contribution	RM'million	% Contribution	Growth %
Total Domestic Operations	195,334	93%	**209,143**	**92%**	7.1%
International Operations	14,729	7%	**17,144**	**8%**	16.4%
of which					
Singapore	10,699	5.1%	**12,995**	**5.7%**	21.5%
Hong Kong	30	0.01%	**99**	**0.04%**	>100%
Vietnam	2,179	1.0%	**2,456**	**1.1%**	12.7%
Cambodia	1,821	0.9%	**1,595**	**0.7%**	-12.4%
Total Gross Loans, Advances and Financing	210,064	100%	**226,288**	**100%**	7.7%

Our gross loans, advances and financing continued its strong growth momentum, increasing 7.7% y-o-y to RM226.3 billion, driven by expansion in our key segments of mortgages, auto loans, SME and commercial banking as well as key overseas markets.

Domestic loans/financing, which represented 92% of the total portfolio, expanded by 7.1% y-o-y to RM209.1 billion as at 30 June 2026, outpacing industry growth. Overseas loans increased by 16.4% to RM17.1 billion, led by Singapore and Vietnam. Loans in these markets grew by 21.5% and 12.7% to RM13.0 billion and RM2.5 billion respectively. In local currency terms, the corresponding growth rates were higher at 27.8% and 17.6%.

Gross Loans, Advances and Financing by Key Segments	FY2025		FY2026			Domestic Market Share
	RM'million	% Contribution	RM'million	% Contribution	Growth %	%
Residential Properties	100,475	48%	**107,121**	**47%**	6.6%	12%
Transport Vehicles	24,155	11%	**25,491**	**11%**	5.5%	9%
SME	40,580	19%	**44,608**	**20%**	9.9%	10%
Community SME Banking	15,149	7%	**17,100**	**8%**	12.9%	-

Residential property loans/financing increased by 6.6% y-o-y to RM107.1 billion, supported by a healthy pipeline. Transport vehicle loans/financing grew by 5.5% to RM25.5 billion as the Bank expanded its dealer coverage and strengthened collaboration with established automotive brands and electric vehicle manufacturers.

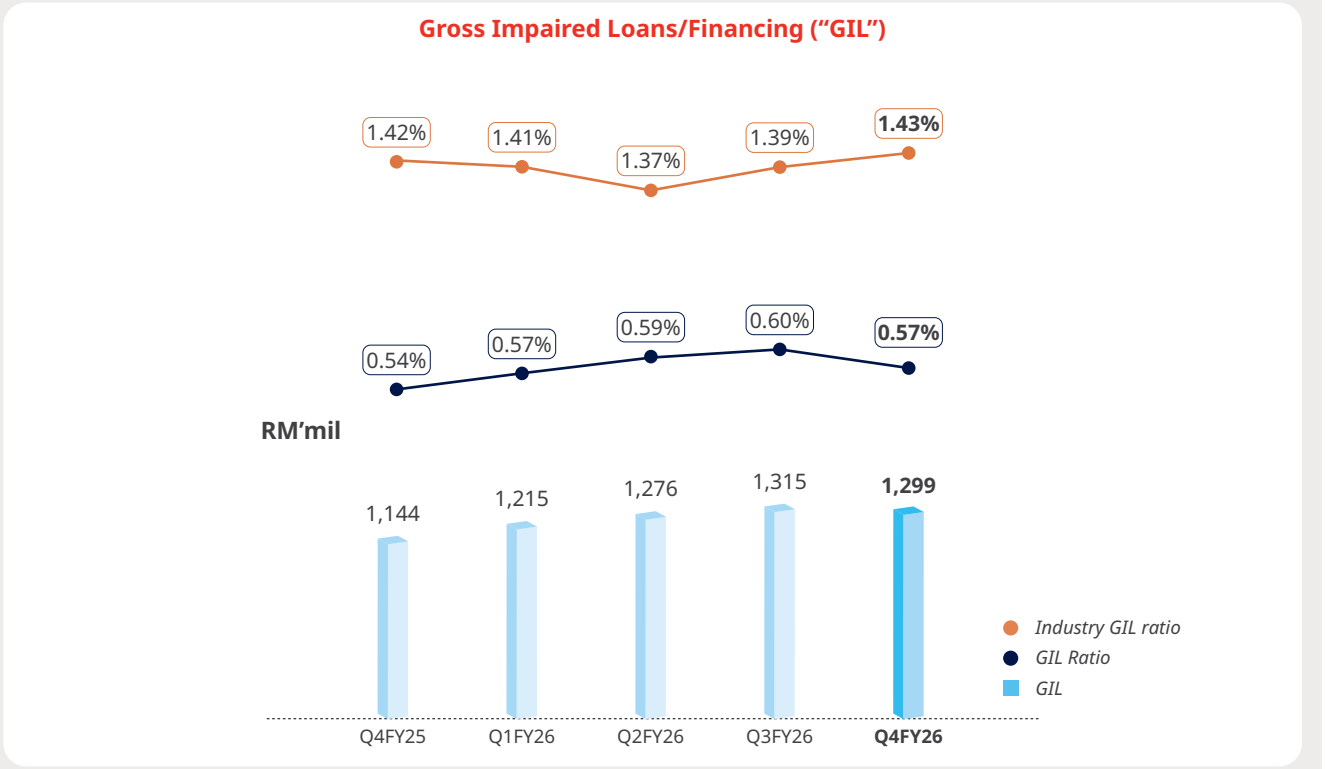
We remained committed in our unwavering support for SME customers, with SME loans/financing portfolio expanding by 9.9% y-o-y to RM44.6 billion. Within this segment, the community SME banking portfolio grew by 12.9% to RM17.1 billion, reflecting the Bank's continued focus on digital capabilities and financial solutions tailored to the needs of SME customers.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

6 ASSET QUALITY

SOUND ASSET QUALITY WITH ADEQUATE IMPAIRMENT COVERAGE



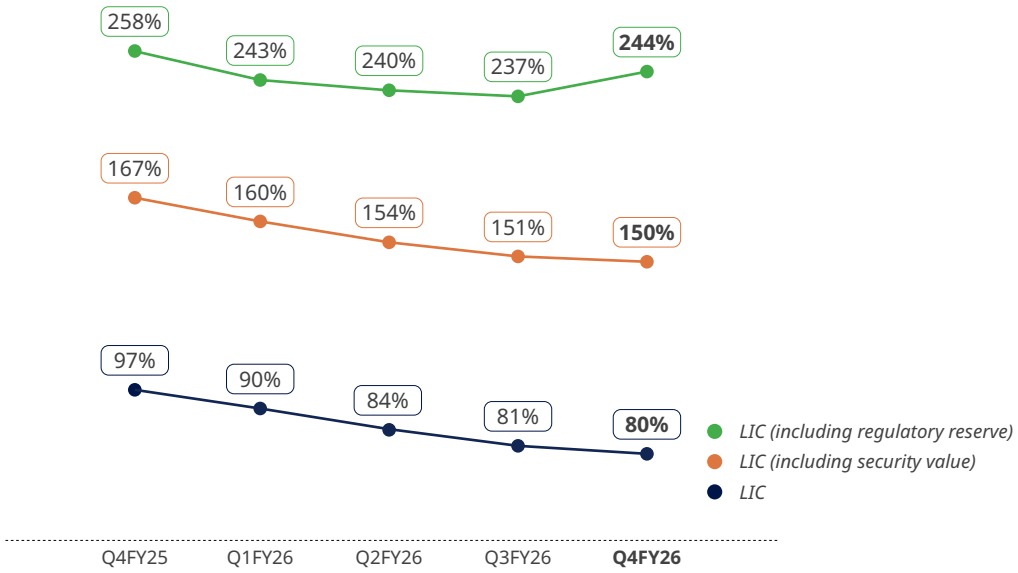
The Bank continued to uphold sound asset quality, with a healthy GIL ratio of 0.57% as at 30 June 2026, well below industry average of 1.43%.

Asset Quality by Key Segments	FY2025	FY2026	Industry Average
Residential Properties	0.41%	**0.43%**	1.15%
Transport Vehicles	0.47%	**0.51%**	0.65%
SME	1.14%	**0.99%**	2.94%

Asset quality was also healthy across the Bank's key portfolios. Residential property, transport vehicle and SME loans/financing recorded GIL ratios of 0.43%, 0.51% and 0.99% respectively, all below the corresponding industry averages.

This performance reflects the Bank's proactive management of accounts in arrears and those exhibiting higher risk indicators. Targeted remedial programmes were also implemented for pre-impaired and impaired accounts.

Loans/Financing Impairment Coverage ("LIC")



The loans/financing impairment coverage ("LIC") ratio stood at 80% as at 30 June 2026, with a substantial portion of the portfolio secured by collateral. Including the value of securities held against gross impaired loans, the LIC ratio was 150%, and was higher at 244% when regulatory reserves were included. The Bank also retained an MOA balance of RM175 million.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

7 CUSTOMER DEPOSITS

CASA-LED GROWTH STRENGTHENS THE DEPOSIT BASE

Customer Deposits by Domicile	FY2025 RM'million	FY2025 % Contribution	FY2026 RM'million	FY2026 % Contribution	Growth %
Total Domestic Operations	215,743	90%	**227,504**	**90%**	5.5%
International Operations	23,183	10%	**24,560**	**10%**	5.9%
of which					
Singapore	17,985	7.5%	**18,576**	**7.4%**	3.3%
Hong Kong	932	0.4%	**1,795**	**0.7%**	92.5%
Vietnam	2,208	0.9%	**2,370**	**0.9%**	7.4%
Cambodia	2,058	0.9%	**1,820**	**0.7%**	-11.6%
Total Customer Deposits	238,926	100%	**252,064**	**100%**	5.5%

Total customer deposits expanded 5.5% y-o-y to RM252.1 billion as at 30 June 2026.

Domestic customer deposits, which accounted for 90% of the Bank's total deposit base, increased by 5.5% y-o-y to RM227.5 billion. Deposits from international operations rose by 5.9%, with balances in Singapore, Hong Kong and Vietnam reaching RM18.6 billion, RM1.8 billion and RM2.4 billion respectively.

Customer Deposits by Key Product and Customer Type	FY2025 RM'million	FY2025 % Contribution	FY2026 RM'million	FY2026 % Contribution	Growth %	Domestic Market Share %
By key product type of deposits						
Demand and Savings Deposits ("CASA")	78,527	33%	**87,386**	**35%**	11.3%	8%
Fixed Deposits	124,012	52%	**124,951**	**50%**	0.8%	8%
Total Core Deposits	202,539	85%	**212,338**	**84%**	4.8%	8%
By key type of customers						
Individual	121,756	51%	**125,854**	**50%**	3.4%	11%
Business Enterprises	109,517	46%	**118,403**	**47%**	8.1%	8%
Total Customer Deposits	238,926	100%	**252,064**	**100%**	5.5%	9%

Core customer deposits, comprising demand, savings and fixed deposits, represented 84% of the total deposit base and grew by 4.8% y-o-y. CASA balances expanded at a faster rate of 11.3% to RM87.4 billion, supported by community deposit acquisition initiatives and transaction banking solutions. This lifted the CASA ratio to 34.7%.

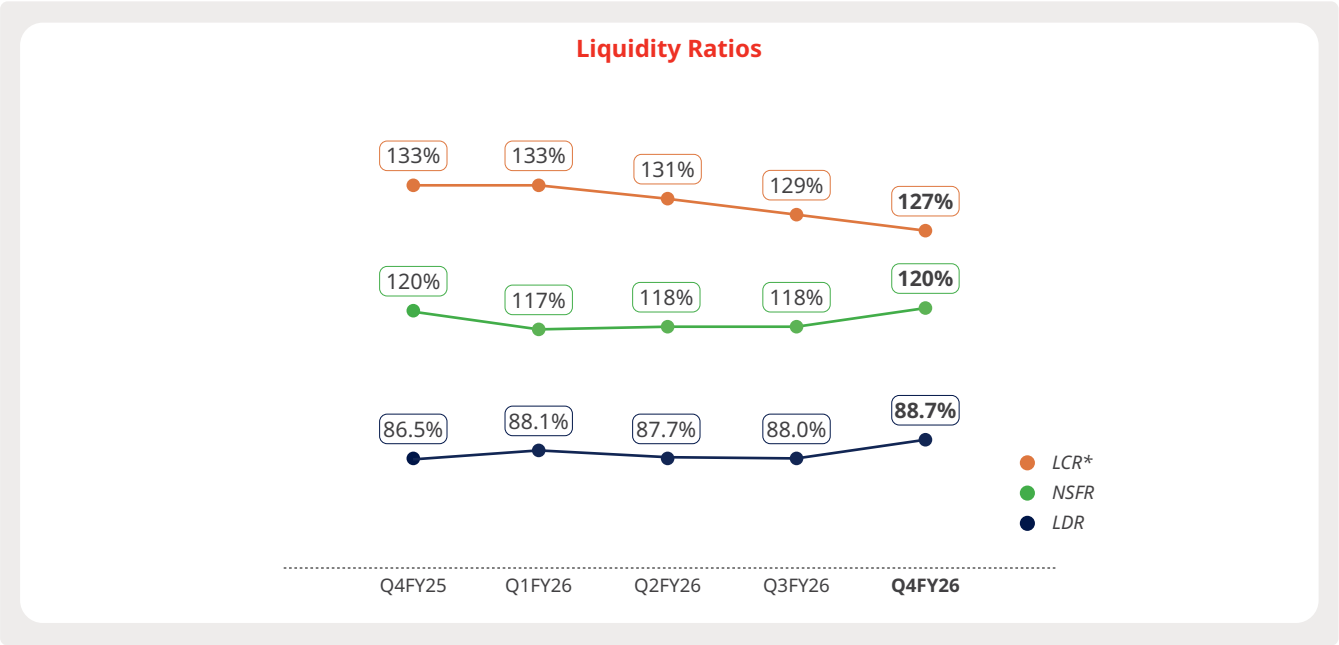
Fixed deposits increased by 0.8% y-o-y to RM125.0 billion, translating into a domestic market share of 7.9%. Individual deposits grew by 3.4% to RM125.9 billion and accounted for 50% of the Bank's deposit base, contributing to funding stability.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

8 LIQUIDITY

PRUDENT LIQUIDITY AND FUNDING POSITION



*Note: * In line with Bank Negara Malaysia's guidelines on liquidity risk disclosure, rolling 12 months average*

The Bank managed its liquidity and funding position prudently, recording a loan-to-deposit ratio ("LDR") of 88.7% as at 30 June 2026.

The rolling 12-month average liquidity coverage ratio ("LCR") stood at 127%, while the net stable funding ratio ("NSFR") was 120%. Both ratios were comfortably above regulatory requirements.

As at 30 June 2026, the Bank's loan-to-funds ("LTF") and loan-to-funds-and-equity ("LTFE") ratios stood at 88.8% and 76.6% respectively, in line with industry averages.

9 CREDIT RATINGS

Rating Agency Malaysia and Moody's Investors Service reaffirmed the Bank's long-term and short-term credit ratings. The ratings reflect its sound fundamentals, established position in the domestic retail and SME markets, healthy asset quality and strong capitalisation.

The Bank's sustained financial and business performance continues to underpin strong ratings from domestic and international rating agencies, as set out below.

Rating Agency	Date Accorded / Latest Update	Rating Classification
Rating Agency Malaysia Berhad	22-May-26	Long-Term Rating: AAA Short-Term Rating: P1 Subordinated Notes: AA1 Additional Tier 1 Capital Securities: A1 Medium-Term Notes: AAA Commercial Papers: P1
Moody's Investors Services Ltd	27-Aug-26	Long-Term Rating: A3 Short-Term Rating: P2 Senior Unsecured: A3

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

10 CAPITAL MANAGEMENT

Introduction

HLB's capital management framework sets out the policies and procedures that guide the efficient use of capital across the Bank and its key subsidiaries while ensuring adequate capital levels are maintained. It defines the risk profiles, management targets and regulatory standards that each business unit must adhere to.

The capital management structure aims to:

- Keep capital ratios at levels above regulatory minimums or internal capital thresholds.
- Support the Bank's strong credit ratings.
- Be open to future strategic opportunities.
- Allocate capital efficiently to businesses and optimise return on capital.
- Be resilient during stressful economic and financial conditions.

CAPITAL MANAGEMENT FRAMEWORK

The Bank's capital management approach is anchored in the Internal Capital Adequacy Assessment Process ("ICAAP"), which has been endorsed by senior management, the Board Risk Management Committee ("BRMC") and the Board. The ICAAP evaluates capital adequacy under a range of economic scenarios, including stressed conditions, to determine the optimal levels required.

i) Comprehensive Risk Assessment under ICAAP

Through the ICAAP, the Bank identifies and assesses all material risks to ensure that capital allocation supports its business activities effectively. Base capital levels, derived from the annual budget, are subjected to rigorous stress testing to assess resilience against adverse economic conditions or sharp downturns.

The outcomes inform the setting of internal capital targets, which are reviewed annually to ensure they remain sound, exceed regulatory thresholds and provide adequate buffers in challenging environments.

(ii) Capital Plan

The Bank's Capital Plan is a three-year roadmap aligned with its business and strategic objectives. It sets out capital projections, requirements, levels and composition while incorporating regulatory expectations and stakeholder considerations. The Plan also accounts for capital buffers, evolving accounting standards and the requirements of investors, analysts and rating agencies.

CAPITAL INITIATIVES

The Bank remains committed to sustaining a strong capital position that complies with Basel III requirements, meets stakeholder expectations and aligns with long-term strategic priorities. Key initiatives undertaken include:

i) Equity Capital

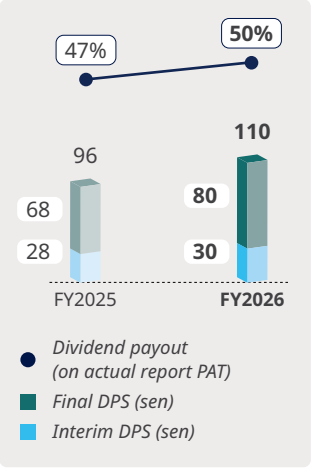
As at 30 June 2026, the Bank held 117.3 million treasury shares previously repurchased. These shares, which may be reissued, provide flexibility to enhance the Bank's Common Equity Tier 1 ("CET 1").

ii) Debt Capital

The Bank has in place a RM10 billion Multi-Currency Additional Tier 1 ("AT1") Capital Securities Programme and a RM10 billion Multi-Currency Tier 2 Subordinated Notes ("Sub Notes") Programme. During FY2026, the Bank issued RM640 million of Tier 2 Sub Notes on 26 June 2026, comprising RM350 million at 3.90% and RM290 million at 4.00%.

iii) Dividend Payout

Although the Bank does not prescribe a fixed dividend policy, it seeks to strike a balance between growth and prudent capital management to deliver sustainable returns to shareholders. For FY2026, the Board declared a final dividend of 80 sen per share, bringing the total dividend to 110 sen, an increase from 96 sen in the prior year.



MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

CAPITAL ADEQUACY RATIO

i) Minimum Capital Adequacy Requirements

Under Bank Negara Malaysia's ("BNM") Capital Adequacy Framework, banks are required to maintain a minimum CET 1 Capital Ratio of 4.5%, a Tier 1 Capital Ratio of 6.0%, and a Total Capital Ratio of 8.0%.

ii) Capital Buffer Requirements

Beyond the minimum thresholds, banks must also maintain the following buffers:

- **Capital Conservation Buffer ("CCB")**: Up to 2.5% to be built during normal periods, which can be drawn down in times of stress.
- **Counter-Cyclical Capital Buffer**: Ranging from 0% to 2.5% of total risk-weighted assets, designed to mitigate systemic risk during periods of excessive credit growth. This buffer is currently not applied to Malaysian credit exposures but may be introduced by BNM in the future.
- **Higher Loss Absorbency ("HLA")**: Additional requirements outlined in Table 1 below for financial institutions designated by BNM as Domestic Systemically Important Banks ("D-SIBs").

Bucket	HLA requirement (as % of risk-weighted assets)
3 (empty*)	2.0
2	1.0
1	0.5

*Note: * An empty bucket will be maintained above the current highest populated bucket (3) as a pre-emptive measure for D-SIBs with higher systemic importance in the future. If the empty bucket becomes populated in the future, an additional bucket with a higher HLA requirement shall be added.*

- BNM reviews the list of D-SIBs on an annual basis and may also do so in response to significant structural changes in the banking system, such as mergers or major restructurings.
- D-SIBs are required to maintain HLA at the apex entity level on a consolidated basis, covering all subsidiaries except insurance and takaful entities. However, BNM retains discretion to impose compliance at the entity level where necessary.
- On 5 February 2020, BNM announced that three banking groups - MBB, CIMB and PBB were designated as D-SIBs based on 2018 data.

HEALTHY CAPITAL ADEQUACY RATIOS

The table below presents the Bank's capital adequacy ratios, at both Group and entity levels for financial years 2025 and 2026.

After proposed dividend	HLB Group		HLB Entity		Regulatory Minimum with CCB*	
	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026
CET 1 Capital Ratio	13.2%	**12.9%**	12.8%	**12.3%**	7.0%	**7.0%**
Tier 1 Capital Ratio	14.2%	**13.8%**	13.7%	**13.2%**	8.5%	**8.5%**
Total Capital Ratio	16.3%	**16.2%**	15.9%	**15.7%**	10.5%	**10.5%**

*Note: * Inclusive of minimum capital adequacy requirements and Capital Conservation Buffer of up to 2.5%*

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

1 PERSONAL FINANCIAL SERVICES ("PFS")

Overview

PFS delivered a resilient performance in FY2026 despite the unanticipated reduction in the Overnight Policy Rate. Active balance sheet management, disciplined cost control and tactical pricing measures helped offset the resulting margin pressure, enabling the division to sustain earnings levels.

Loans expanded by 7.0% y-o-y, outpacing industry growth and lifting PFS's market share to approximately 10%. Total deposits grew by 4.6%, while asset quality remained sound with a gross impaired loan ratio of 0.44%.

Advancing Digital Banking

Digitalisation remained central to PFS's growth strategy, with particular emphasis on linking customer-facing channels to automated back-end processes. The objective was not only to improve convenience, but also to strengthen acquisition, deepen engagement and reduce processing friction across key retail journeys.

HLB Connect recorded a 6% y-o-y increase in registered users to more than 3.3 million, with approximately 72% of them active. Penetration reached 76% of the Bank's retail customer base, underscoring the platform's role as the primary channel for customers managing their everyday banking needs.

This broader adoption translated into higher transaction activity. Total online transactions accounted for 96% of all retail transactions, while online financial transactions increased by 24% to represent 92% of total retail financial transactions.

Usage also expanded across several high-frequency services. QR payments increased by 115%, DuitNow Cross-Border QR grew by 123% and online payments via FPX & DuitNow Online Banking / Wallets grew by 17%. BizBuddy, the Bank's merchant platform with an integrated DuitNow QR acquiring solution, recorded y-o-y growth of 80% in transaction volume and 89% in transaction value.

Closer coordination between product and channel teams supported further growth in digital product acquisition. New eFixed Deposit placements increased by 13% while approved credit card applications through digital channels rose by 9%. A major development during the year was the rollout of an enhanced AI-enabled electronic Know Your Customer ("eKYC") framework. The solution incorporates biometric verification, facial recognition and deepfake detection to support secure straight-through processing with minimal manual intervention. By allowing credit card and personal loan applicants to complete identity verification through their mobile web browsers, PFS reduced onboarding friction while maintaining robust security and regulatory controls.

Building on this progress, the division will continue enhancing HLB Connect as an integrated retail banking platform and extend digital capabilities across more customer journeys.

HLB Connect user base surpassing

3.3 million users

6% y-o-y

Deposits

The Deposits business remained a key pillar of the Bank's funding base. Domestic individual deposits accounted for 51.3% of the portfolio, compared with the industry average of 36.8%, while retail CASA deposits grew by 4.3% and the retail CASA ratio stood at 34.1%.

Retail CASA deposits registered

4.3% y-o-y

Retail CASA ratio 34.1%

This franchise strength was reinforced by the launch of LINKS on HLB Connect, which enables eligible customers to link and manage their Malaysia and Singapore CASA and CASA-i accounts through a single dashboard. Customers can also transfer funds between both markets instantly and without fees.

Beyond improving convenience, LINKS strengthens HLB's regional banking proposition by making it easier for customers to retain and manage liquidity within the Bank's ecosystem. This is particularly relevant for customers with financial commitments or business interests across Malaysia and Singapore.

Digital fixed deposits also continued to gain traction. Since the launch of joint eFixed Deposits on HLB Connect Online, 4,500 accounts have been opened with total placements of RM852 million.

PFS Secured Lending

Mortgage

Mortgage remained the largest contributor to the secured lending portfolio. Competitive pricing, accessible products and targeted customer engagement supported y-o-y loan growth of 6.9%, compared with industry growth of 5.2%.

The business also benefited from the completion of the digital bancassurance submission process, implemented through system integration with insurance partners. By replacing paper-based workflows with automated submissions, the initiative shortened processing times by 90%.

Auto Loan

The Auto Loan business maintained its momentum through partnerships with leading automotive brands and continued participation in growth segments, including electric vehicles. The loan base expanded by 7.2% y-o-y.

Operational improvements were an important part of this performance. The introduction of Dealer Online Submission with application programming interface integration enabled automated lead submission and real-time processing, reducing administrative work for dealers and allowing loan approvals to be completed within 24 hours of submission.

PFS also piloted the "View It, Drive Out" concept to test the feasibility of same-day vehicle delivery following purchase. The initiative demonstrated how closer integration between dealers, financing processes and fulfilment could shorten the traditional vehicle purchase journey.

Further enhancements to straight-through processing and AI-enabled optical character recognition are also under way. Once fully implemented, these capabilities are expected to accelerate credit decisioning, improve turnaround times and support higher application volumes without a corresponding increase in manual processing.

Cards

The Cards business recorded strong growth in FY2026, driven by digital acquisition and more targeted customer engagement.

Approved cards acquired through digital channels increased by 69% y-o-y, supported by regular acquisition campaigns, referral programmes and stronger digital branding. Net card base growth reached 6.6%, twice the national market growth rate of 3.3%.

Momentum was particularly strong in the affluent segment, where active premium cards increased by 156% over the past two years. This supported the Bank's broader strategy of deepening relationships with higher-value customers and aligning the Cards proposition more closely with its wealth management franchise.

Spending performance also outpaced the market. For the year-to-date period ended June 2026, conventional retail credit card spending grew by 10.6%, compared with industry growth of 5.7%. Cross-border retail spending increased by 13%, against industry growth of 6.6%.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

1 PERSONAL FINANCIAL SERVICES ("PFS")

This performance was supported by the shift from conventional rule-based customer segmentation to predictive AI models deployed through the Bank's CI360 campaign management platform in collaboration with Visa. The platform enables more precise lifestyle targeting and more relevant offers throughout the customer lifecycle. In February 2026, retail spending rose by 8.8%, compared with industry growth of 5.7%, demonstrating the effectiveness of this approach during a traditionally softer post-Chinese New Year period.

Mobile wallet adoption was encouraged through campaigns for cardholders linking their cards to Apple Pay, Google Pay or Samsung Pay. Looking ahead, PFS plans to introduce a new credit card proposition for the high-net-worth segment to support deeper integration between the Cards and Wealth businesses.

HLB VISA Cards are now compatible with Apple Pay

Personal Loan

The Personal Loan business recorded a 14.8% y-o-y increase in its loan base, supported by domestic demand and improved digital accessibility.

Growth was achieved while maintaining disciplined credit standards across both salaried and self-employed customer segments. The enhanced end-to-end eKYC journey further supported acquisition by enabling customers to complete applications digitally through facial recognition and real-time identity document verification.

The new process reduced onboarding friction and shortened application turnaround times, while preserving the control environment required for responsible lending.

Remittance

The remittance proposition was enhanced through a broader range of cross-border corridors, greater support for non-individual remittances and increased automation of international payouts.

These improvements are intended to provide customers with faster processing, clearer transaction visibility and more competitive foreign exchange rates. They also complement the wider regional banking capabilities introduced through LINKS on HLB Connect.

Merchant Acquiring

The Merchant Acquiring business expanded further during the year as merchants and consumers increased their use of the Bank's payment infrastructure.

Total payment value rose by 9%, while transaction volume increased by 20%. The Bank's partnership to enable MyDebit transactions at more than 1,000 petrol stations nationwide contributed to a 65% y-o-y increase in transaction volume.

Beyond transaction growth, the expansion of merchant acquiring supports the wider PFS franchise by strengthening merchant settlement balances and contributing to CASA retention. This creates a closer link between the Bank's payments capabilities and its core funding strategy.

Making the Sustainability Shift

Responsible financing remained integral to the PFS strategy, particularly across secured lending where the division can directly support lower-carbon transport and more sustainable housing.

PFS exceeded its sustainable financing disbursement targets during the year. Green auto loan disbursements reached RM1.5 billion, while green and affordable property financing amounted to RM3.1 billion. These results reflected growing customer demand for financing solutions that combine affordability with environmental considerations.

In property financing, established green building certifications such as the Green Building Index, GreenRE, Green Mark and LEED remained part of the Bank's end-financing assessments. This supports the development and purchase of properties with recognised environmental performance standards.

Alongside financing growth, PFS strengthened the quality of its climate-related data. Vehicle emissions data from the Malaysia Automotive, Robotics and IoT Institute was incorporated into the Auto Loan portfolio, enabling more granular greenhouse gas emissions calculations using Partnership for Carbon Accounting Financials methodologies.

The division also established and disclosed Scope 3 financed emissions baselines for its secured lending portfolio. Limited assurance was obtained for the FY2026 emissions data covering Auto Loans and Residential Mortgages, improving the reliability and credibility of the Bank's disclosures.

Together, these measures strengthen the connection between product growth, portfolio management and climate accountability within the retail banking business.

MOVING FORWARD

PFS enters FY2027 with a disciplined approach to growth, supported by scenario planning that reflects a range of economic and market conditions.

The division will continue strengthening its core lending and deposit franchises while pursuing opportunities arising from merchant settlement balances, specialised loan yield optimisation and broader digital acquisition. Further gains are also expected from process automation, faster credit decisioning and deeper use of AI across customer engagement and underwriting.

Across these priorities, PFS will maintain its focus on asset quality, funding resilience and operating efficiency while continuing to improve the accessibility and relevance of its retail banking proposition.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

2 BUSINESS & CORPORATE BANKING ("BCB")

Overview

BCB delivered a resilient performance in FY2026 despite a challenging operating environment. With its focus on the SME and commercial segments, total loans and financing grew by 7% y-o-y, while demand deposits rose by 20%. The latter strengthened the Bank's funding base and reflected deeper engagement with business customers.

Supporting Our Customers

Working capital and transaction banking remained central to BCB's support for businesses navigating geopolitical uncertainty, higher operating costs and shifting demand conditions. SME loans and financing expanded by 9.9% y-o-y, outperforming the broader industry while maintaining healthy asset quality.

The Bank also participated in Bank Negara Malaysia's SME Stabilisation Relief Facility, giving qualifying businesses access to financing to manage short-term cash flow pressures. This complemented BCB's broader efforts to help customers respond to changes in the operating environment, not only through funding but also through timely market intelligence.

In March 2026, BCB together with Global Markets, organised a virtual briefing on the Middle East conflict and its implications for energy markets and supply chains. Led by the Bank's economists and research specialists, the session attracted more than 500 clients and focused on practical measures to manage operational risks and protect margins.

SME loans/financing

9.9%

Enhancing the Customer Experience

Digital platforms and process improvements remained key to simplifying the business banking journey.

Our digital onboarding solution, a tablet-based onboarding module allows all types of business enterprises to open current accounts and corporate internet banking remotely. Relationship managers, cash and deposit specialists can therefore complete onboarding at customers' premises or other convenient locations, shortening the initial account-opening process and enabling customers to access banking services more quickly.

The launch of HLB ConnectPro in December 2025 marked a major development in BCB's digital proposition. Built on a modern microservices architecture, the platform offers greater system capacity, multi-company single sign-on and customisable workflows for bulk payments and payroll management. Following the launch, the Bank began migrating active users to the new platform in phases.

To complement these digital enhancements, BCB expanded its customer outreach through localised roundtables and nationwide roadshows. These sessions brought together trade, cash management and Global Markets specialists to share market insights, discuss business opportunities and help customers assess the associated risks. Together, these initiatives strengthened both the transactional and advisory dimensions of the customer relationship.

Commitment to Sustainability

BCB's sustainability agenda centred on helping businesses understand evolving ESG requirements, identify the implications for their operations and translate these into practical action.

The HLB Sustainability Roundtable provided an important foundation for this effort by bringing together industry experts, ESG practitioners, policymakers and corporate decision-makers. Discussions focused on transition

issues affecting sectors such as manufacturing, power generation, palm oil and waste management, creating a platform for businesses to exchange perspectives and assess sector-specific risks and opportunities.

Building on this broader dialogue, the Bank provided more structured support to SMEs through its adoption of Capital Markets Malaysia's Simplified ESG Disclosure Guide. The guide covers 15 key disclosure topics and 35 priority disclosures, offering SMEs a more accessible starting point for strengthening their sustainability practices and reporting.

The HLB ESG Readiness Programme, developed with PwC and Thoughts in Gear, translated these requirements into practical workshops. Participating businesses received guidance on identifying material ESG matters, understanding the related commercial and regulatory implications and managing the resulting risks and opportunities in domestic and international markets.

Where more specialised support was required, customers could draw on the Bank's in-house expertise in carbon and climate, renewable energy and ESG. These specialists advised businesses on strategy, available incentives and regulatory compliance. They also contributed to industry forums organised by the Joint Committee on Climate Change, the Energy Commission, the Small and Medium Enterprises Association Malaysia, Malaysia-UK PACT 2.0 and the Malaysian Bar Council, further extending the Bank's role in supporting market-wide capability building.

The Bank also extended targeted support to the Halal business ecosystem through HLB Islamic's partnership with PANTAS under Bank Negara Malaysia's Greening Halal Business programme. The initiative provides Halal SMEs with capacity-building support and subsidised carbon accounting software, helping them measure emissions and strengthen their competitiveness as sustainability requirements become more prominent across supply chains.

As a result of our efforts, the Bank received the Renewable Energy Financing Programme Award – Malaysia at the ESG Business Awards 2025. This followed earlier recognition as Best Domestic and Islamic Bank for Sustainable Energy Financing at the National Energy Awards in 2021, 2022 and 2024.

Supporting Cross-Border and Regional Businesses

As more Malaysian businesses expand beyond the domestic market, BCB is strengthening the coordination of its regional banking capabilities to support customers across the markets where HLB operates.

The Bank is streamlining processes and aligning service standards across its regional network so that customers can access financing, transaction banking and advisory support more consistently. This is particularly important for businesses managing cross-border operations, where differences in processes, regulatory requirements and banking arrangements can create friction.

A key area of focus is the Johor-Singapore Special Economic Zone, which is expected to create new opportunities for trade, investment and business expansion between both markets. By improving coordination across the Malaysia and Singapore franchises, BCB is positioning the Bank to provide more integrated support to customers operating on both sides of the border.

Over time, this approach will also enable BCB to apply capabilities developed in Malaysia across the wider regional network, while adapting products and services to the regulatory and commercial requirements of each market.

MOVING FORWARD

In FY2027, BCB will focus on broadening the capabilities of its digital channels and deepening its regional business banking coverage.

Experience gained from the rollout of HLB ConnectPro in Malaysia will guide potential platform upgrades across the Bank's regional operations. At the same time, BCB will continue adapting its products and service model to local market and regulatory requirements.

These priorities will support further growth in the SME and commercial segments while strengthening BCB's contribution to the Bank's regional franchise.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

3 GLOBAL MARKETS ("GM")

Overview

Global Markets delivered a strong performance in FY2026 despite continued volatility across global financial markets. Inclusive of franchise sales, total income increased to RM993 million from RM715 million in FY2025, while profit before tax rose to RM829 million from RM559 million.

The division's contribution to the Bank also increased, accounting for approximately 14.8% of total income and 15.1% of profit before tax, compared with 11.2% and 10.4% respectively in the previous year.

This performance was achieved against an operating environment shaped by elevated funding costs, fluctuating bond yields, prolonged interest rate differentials between the United States and Malaysia and persistent geopolitical uncertainty. Malaysia's financial system nevertheless remained resilient, supported by Bank Negara Malaysia's measured policy approach and sound domestic liquidity conditions.

Total Income

RM993 million

FY2025: RM715 million

Profit Before Tax

RM829 million

FY2025: RM559 million

Performance Review

Market volatility created valuation movements across fixed-income portfolios and affected liquidity in selected asset classes. Against this backdrop, GM recorded higher trading income and realised gains from the active management of financial assets.

The fixed-income business remained an important contributor, supported by disciplined portfolio positioning and the division's established market capabilities. Performance also reflected the ability to respond to changing yield conditions while maintaining a prudent approach to risk.

In foreign exchange, higher transaction volumes from corporate and retail trade flows supported healthy margins. The increase reflected stronger client activity as businesses and individuals managed cross-border payments, foreign currency requirements and market volatility.

Digital remittance volumes also continued to rise as more customers migrated to the Bank's digital channels. Ongoing investment in the supporting infrastructure is intended to improve scalability and strengthen the Bank's ability to serve growing cross-border transaction needs.

Deepening Client and Cross-Divisional Engagement

Closer collaboration with the Bank's business divisions remained an important driver of GM's performance.

During the year, GM worked more closely with Regional Wealth Management to provide a broader range of treasury and investment solutions. This contributed to record transaction volumes across fixed income, foreign exchange and structured products.

The division also developed tailored structured solutions and foreign currency debt instruments for high-net-worth clients. By combining GM's market capabilities with the Wealth business's advisory and distribution reach, the Bank was able to respond more effectively to demand for diversification, yield enhancement and foreign currency exposure.

This cross-divisional model also strengthened the contribution from client-driven activities, providing a broader and more recurring base of non-interest income.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

Awards and Recognition

GM's capabilities in fixed income, trading, sales and research received further industry recognition during the year.

At The Asset Triple A Awards, the Bank was ranked third among sell-side firms in the secondary market for local currency corporate bonds and received a Highly Commended recognition as one of the leading investment houses in G3 bonds.

Members of the GM team also received several individual distinctions across local currency bond sales, trading, research and G3 bond investment. These recognitions reflected the depth of expertise across the division's institutional franchise and its continued standing in the regional fixed-income market.

MOVING FORWARD

The external environment is expected to remain uncertain in FY2027, with financial markets continuing to respond to changes in commodity prices, global trade policies, supply chain conditions and the direction of monetary policy in major economies.

Against this backdrop, GM will maintain an active approach to managing its fixed-income portfolios as yield curves evolve. Balance sheet management will remain central to protecting margins, preserving liquidity and deploying capital efficiently across changing market conditions.

The division will also continue expanding client-led opportunities across foreign exchange, fixed income and structured products, supported by closer collaboration with the Bank's business and wealth management franchises.

With a strong balance sheet and disciplined risk framework, GM is positioned to manage continued market volatility while capturing opportunities arising from shifts in interest rates, currencies and investor demand.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

4 REGIONAL WEALTH MANAGEMENT ("RWM")

Overview

In FY2026, RWM strengthened its regional wealth management proposition across Malaysia and Singapore, building on the strategic investments made in the previous year. Progress centred on implementing key partnerships, broadening wealth management and investment capabilities, enhancing digital platforms and developing the people and infrastructure needed to serve increasingly sophisticated wealth requirements.

Driving Financial Performance and Client Engagement

RWM recorded broad-based growth across its key revenue and volume indicators in FY2026. Non-interest income rose 21% y-o-y while profit before tax increased by 40% y-o-y. Deposits grew 10% y-o-y, with investment Assets Under Management ("AUM") and overall AUM rising by 27% and 16% y-o-y, respectively. The active wealth client base also expanded by 14% during the year.

Non-interest income rose

21% y-o-y

Profit before tax increased by

40% y-o-y

Deposits grew

10% y-o-y

Investment AUM rose

27% y-o-y

Expanding Client Engagement and Strategic Partnership

Building on the strategic alliance announced in May 2025, RWM's collaboration with Lombard Odier progressed into implementation during the year. This enabled HLB Private Bank Singapore to offer Discretionary Portfolio Management. In Malaysia, the collaboration broadened RWM's investment offerings through the launch of the All Roads Fund and Asia Value Bond Fund by Hong Leong Asset Management.

RWM also expanded its Alternatives and Private Markets platform through its partnership with Gaia Investment Partners. A Co-Investment Fund followed the launch of a Private Equity Fund of Funds in Singapore and Malaysia, broadening access to private market opportunities and enabling ultra-high-net-worth clients to diversify into longer-term asset classes.

Following the relaunch of the HLB Private Bank brand in May 2025, HLB Priority was relaunched in February 2026 with an enhanced proposition for the mass-affluent segment. The proposition brings together wealth advisory, a broader range of wealth solutions and lifestyle and healthcare privileges.

Under wealth advisory, Relationship Managers focus on five core client outcomes: Preservation, Income, Growth, Diversification and Legacy. A dedicated wealth insights content pipeline delivers market developments, trends and insights through email, social media and frontline teams. These insights are accompanied by recommendations aligned with clients' profiles and intended outcomes, enabling a shift from general product-led engagement towards more personalised and contextual advice.

The wealth solutions suite spans Unit Trusts, Bonds and Bancassurance for core wealth planning, alongside Structured Investments, Dual Currency Investments and Foreign Exchange solutions for tactical opportunities. It also includes alternative investments that provide mass-affluent clients with access to private market funds, including a Private Equity Fund of Funds and Co-Investment Fund structured in a Unit Trust format.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

HLB Private Bank was named the Best Private Bank / Wealth Manager in Malaysia and Singapore at the WealthBriefingAsia Awards

The launch of Portfolio Financing further expanded this proposition by enabling clients to obtain liquidity against their investment portfolios. This gives clients greater flexibility to act on investment opportunities or meet liquidity needs without having to sell their existing investments.

Beyond financial solutions, RWM partnered with Asia OneHealthcare to provide HLB Priority clients with access to regional medical specialists and healthcare consultations. The partnership integrates health and lifestyle privileges into the broader client proposition.

Regionally, RWM progressed the establishment of wealth corridors connecting Hong Kong and Vietnam with Singapore. The initiative seeks to capture opportunities arising from the growth of the middle-income segments in these markets while reinforcing Singapore's role as an offshore booking centre for regional wealth clients.

Progress in strengthening these regional wealth capabilities received recognition from leading industry bodies. At the WealthBriefing Asia Awards 2026, HLB was recognised in the Private Bank or Wealth Manager category for its Malaysia and Singapore operations. RWM was also named Best Private Bank for Wealth Creation and Preservation and Rising Star Private Bank: ASEAN at the Global Private Banking Innovation Awards 2026.

Advancing Digital Capabilities and AI Innovation

RWM continued to modernise its regional wealth platforms to improve frontline productivity and the client experience. Following the rollout of Salesforce in Malaysia, wealth management teams gained a more comprehensive view of client relationships and access to data-driven insights. The introduction of the in-branch Unit Trust journey on iPad also enabled Relationship Managers to deliver a more seamless and paperless investment experience.

In Singapore, enhancements to the HLB Connect app introduced a consolidated portfolio display for Private Bank clients. This provides clients with convenient access to a unified view of their wealth holdings.

Foundation work also progressed on the application of artificial intelligence to portfolio analytics and Relationship Manager productivity. Drawing on the Bank's data warehouse, the planned capabilities include predictive portfolio insights, more timely risk assessments and increasingly personalised investment strategies. RWM is also deploying AI tools to improve frontline productivity and the quality of information available to Relationship Managers.

Investing in Our People and Infrastructure

The Wealth Academy continued to build the frontline capabilities required to advance RWM's growth. Six intakes were completed during the year to onboard, train and upskill new personal bankers.

The academy also contributed to the transformation of the Bancassurance salesforce, with more than 300 frontline employees completing needs-based wealth planning training. This strengthened their ability to provide advice aligned with clients' broader financial requirements.

The reimagined Priority and Private Banking Centres at OUG, Cheras, Kota Damansara and Melaka Cheng continued to provide enhanced environments for wealth advisory and client engagement. Featuring greater privacy, modern facilities and integrated digital tools, the centres complement the broader investments being made in RWM's wealth management capabilities and client proposition.

MOVING FORWARD

In FY2027, RWM will focus on further expanding its businesses in Malaysia and Singapore, capturing wealth opportunities arising from the Malaysia My Second Home programme and positioning HLB as the bank of choice for Single Family Offices in the region. Advancing omnichannel excellence across the client journey will remain another priority.

RWM will also continue developing its AI-enabled portfolio analytics capabilities and work towards a unified regional wealth system. Standardising the underlying architecture across its markets will facilitate faster product rollouts, strengthen cross-border synergies and provide a more consistent regional wealth management experience.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

5 ISLAMIC BANKING

Overview

Hong Leong Islamic Bank Berhad ("HLB Islamic") delivered stable underlying growth in FY2026, supported by a diversified financing portfolio, disciplined risk management and a strong funding base. Total assets increased by 3.8% y-o-y to RM70.3 billion, while gross financing expanded by 9.0% y-o-y to RM54.0 billion, with growth recorded across the retail, SME and corporate segments.

HLB Islamic unveils a refreshed proposition celebrating its 20th Anniversary

Deposit and investment accounts rose by 6.8% to RM61.8 billion, providing a sound funding base for business expansion. Operating profit before impairment allowances increased by 6.1% to RM831.0 million, while profit before zakat and taxation stood at RM777.4 million, representing an 8.9% y-o-y decrease, primarily due to the management overlay write-back recognised in the previous financial year. Excluding this write-back, profit before zakat and taxation growth would have been 4.0% y-o-y.

Asset quality remained resilient, with the gross impaired financing ratio improving to 0.72%, among the lowest in the industry. Continued cost discipline also supported a healthy cost-to-income ratio of 33.1%.

FY2026 marked a defining year for HLB Islamic as we celebrated our 20th anniversary and embarked on the next chapter of our journey as a progressive Islamic financial institution. In conjunction with this milestone, we sharpened our strategic direction around a renewed approach to Islamic wealth management, anchored by our proposition, "Timeless Principles Guiding Tomorrow's Wealth". Central to this vision was the launch of the refreshed Hayat @ HLB Islamic brand, where our five-pillar framework, Wealth Creation, Accumulation, Protection, Purification and Distribution, ensures meaningful wealth stewardship through every phase of our clients' journeys.

Underscoring two decades of progress, our continued commitment to digital innovation, business excellence, and community leadership was widely recognised across the industry. On the digital and payments front, HLB Islamic earned honours at the PayNet Malaysian e-Payments Excellence Awards ("MEEA") for Outstanding

PayNet Cambah Collaboration, alongside dual wins at the Islamic Retail Banking Awards ("IRBA") for Best Islamic Retail Banking Brand in Malaysia and Best Islamic Retail Bank for Digital Payments in Malaysia. Furthermore, our support to drive the SMEs, economic and social contributions were highlighted by the Best Islamic Bank for SME Banking by the Global Islamic Finance Awards ("GIFA"), the Islamic Finance Services Excellence Award by the World Halal Excellence Awards ("WHEA"), and the CEO Volunteer of the Year award at the FINCO (Financial Industry Collective Outreach) Annual Awards.

Personal Financial Services-i ("PFS-i")

PFS-i remained an important growth driver of HLB Islamic's retail franchise, with performance supported by broad-based financing growth, stable funding and disciplined asset quality.

The retail financing portfolio expanded by 8.8% y-o-y, driven by expansion in property financing, auto financing and personal financing which grew by 8.3%, 10.4% and 9.7%, respectively. Operating profit increased by 3.5%, underpinned by contributions from funded income and non-financing income. The gross impaired financing ratio remained low at 0.66%.

Retail deposit growth maintained its positive trajectory, with individual deposits rising 11.1% to RM26.5 billion, accounting for 45% of HLB Islamic's total customer deposits. The customer base expanded by 9.1% y-o-y, supported by broader acquisition efforts and stronger market visibility, while CASA balances grew by 3.4%.

During the financial year, HLB Islamic strengthened its retail proposition with the introduction of the HLB Meezani Account-i, a flexible, Shariah-compliant investment account based on the Mudarabah contract. Designed to combine the accessibility of a savings account with investment returns, the product offers digital convenience, flexible fund management and an attractive value proposition complemented by a structured reward and prize draw mechanism. This solution aligns to the Wealth Accumulation and Wealth Creation pillars of the refreshed Hayat @ HLB Islamic brand.

HLB Islamic launched HLB@Campus alongside the HLB Student Ambassador Programme, a financial literacy and talent development initiative established in collaboration with leading universities. Designed to connect the Bank with the academic ecosystem, the programme mobilises high-performing student leaders to cultivate future industry talent and promote financial literacy among students. This strategic effort underscores the Bank's dedication to community resilience while forging lasting connections with the next generation customers.

Enhancing customer convenience, the Bank expanded its services through HLB Islamic Services @ Connect for Zakat Payment. Integrated directly into the HLB Connect digital banking platform, this feature enables Muslim customers to seamlessly fulfil their religious obligations by making zakat payments to official state zakat bodies anytime, anywhere. This service underscores HLB Islamic's commitment to customer centricity by delivering accessible, digital-first Shariah-compliant solutions.

Looking ahead, PFS-i will deepen its presence in the retail segment and strengthen engagement across different life stages through integrated financing, deposit and digital banking solutions. The division aims to broaden its presence within the retail market, deepen customer engagement across all life stages and accelerate financial inclusion through accessible and value-driven Islamic banking solutions.

Business and Corporate Banking-i ("BCB-i")

BCB-i recorded another year of strong growth, with profit before zakat and taxation increasing by 20.2% y-o-y. Funded income rose by 15.5%, while non-financing income increased by 25.5%, supported by higher contributions from trade finance, Banca Takaful and treasury-related activities.

Total financing expanded by 9.4%, underpinned by 15.6% growth in the SME portfolio. This performance reflected focused customer acquisition, deeper engagement with existing clients and closer collaboration with the Bank's nationwide branch network.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

5 ISLAMIC BANKING

HLB Islamic further strengthened its leadership in the Halal ecosystem through its BizHalal proposition. Through a combination of banking solutions and advisory support from certified Halal specialists, the BizHalal proposition helps entrepreneurs and businesses address financing, operational and certification requirements. Through strategic collaborations with key trade and development agencies, including the Halal Development Corporation ("HDC") and Malaysian Investment Development Authority ("MIDA"), the Bank continued to support Halal entrepreneurs and businesses through advisory programmes, industry engagements and ecosystem partnerships, reinforcing its role as a trusted Islamic banking partner for the Halal industry.

The Bank also participated in the BNM Greening Halal Businesses ("GHB") programme, an initiative aimed at empowering SMEs toward a sustainable future by supporting Halal businesses in adopting green practices. This strategic programme is executed in collaboration with an executing agency, alongside the Ministry of Finance, the Islamic Development Bank and the World Bank.

We also continued to deepen our commitment to Malaysia's SME sector and the halal economy. SMEs remain an important part of HLB Islamic's financing portfolio, supported by our broader ecosystem approach that combines Shariah-compliant financing, trade solutions, cash management and halal advisory capabilities.

In the year ahead, BCB-i will focus on expanding the BizHalal proposition, strengthening trade finance and cash management capabilities and growing fee-based income across the SME and commercial segments.

Enhancing Shariah Governance and Advancing Value-Based Intermediation

Shariah governance remained fundamental to HLB Islamic's operating model, providing the framework within which the Bank develops products, manages risk and delivers value to customers and communities in compliance with the Shariah principles.

HLB Islamic is a participating bank in Bank Negara Malaysia's Greening Halal Business initiative

The Bank strived to achieve the above via continuous building of internal capability through up-to-date and comprehensive platforms via mandatory e-learning, professional certifications and specialised training. Employees participated in programmes designed to enhance their Islamic banking and finance professionalism such as the Islamic Finance Qualification, Certified Shariah Advisor, Certified Shariah Practitioner, Certified Professional Shariah Auditor and Associate Qualification in Islamic Finance. The Bank also engaged external experts, industry players, regulatory representatives and other stakeholders to strengthen the understanding of evolving Shariah standards and market practices.

Moving beyond traditional compliance, the Shariah function acts as a strategic business enabler. By collaborating closely with business units throughout the product development lifecycle, the function proactively spearheads innovation grounded in Shariah principles. Demonstrating its commitment to industry leadership, we also partnered with academic institutions to conduct specialised halal-related research, fostering innovative product development and strengthening the wider Islamic finance ecosystem.

We are committed to position the Bank as a key contributor to Malaysia's Value Based Intermediation ("VBI") ecosystem through purposeful and impactful Islamic banking. The intended outcomes of VBI lies in the triple bottom line of people, planet and profit/prosperity.

At the community level demonstrating its commitment to social finance and in line with the Bank's strong Malaysian entrepreneurship heritage, we supported three distinct entrepreneurship initiatives under BNM's iTEKAD social finance programme, with a combined project value of RM1.7 million and empowered over 120 micro-SMEs.

The Bank leveraged iTEKAD funding to collaborate with the Northern Corridor Implementation Authority in establishing a dedicated Central Kitchen facility in Penang's Timur Laut district. The initiative provides 40 micro-SMEs with access to Halal-certified production facilities and a structured curriculum spanning Halal certification, vocational training, financial management and marketing. Highlighting its strategic significance, the project was officially launched by the Yang di-Pertua Negeri Pulau Pinang alongside the Deputy Governor of BNM.

Our other impactful project was SURI's Sustainable Reliable Income ("SRI") Program which empowered 20 low-income single mothers with practical sewing skills. They have produced 1,000 school uniforms for 500 students from repurposed materials and delivering an average 94% income increase among participants. This initiative underscores our commitment to drive meaningful socio-economic mobility while advancing circular economy practices.

To broaden its reach across the broader ecosystem, the Shariah function established connections and collaborations with a number of State Islamic Religious Councils. The core focus of these collaborations lies in harnessing Islamic social finance mechanisms to drive transformative societal impact, especially via zakat and Wakaf as the main Islamic social finance instruments. Through these structured collaborations of social finance initiatives, funding mechanism exploration and resource optimisation, this enables us to play our role in supporting the Islamic authoritative bodies, serving as resilient catalysts for community development and socio-economic empowerment.

In conclusion, these initiatives reflect Shariah steadfast commitment to maintaining strong Shariah governance, driving purposeful innovation and advancing the VBI agenda across all facets of our role.

MOVING FORWARD

HLB Islamic will continue to pursue sustainable growth through customer-centred innovation, stronger digital capabilities and a broader range of Shariah-compliant financial solutions.

Priorities include deepening the retail and SME franchises, expanding the Halal ecosystem and strengthening financial inclusion. The Bank will also continue to develop its Islamic wealth management proposition while advancing Shariah governance and high-impact Value-Based Intermediation initiatives.

These priorities will support HLB Islamic's long-term growth while strengthening its contribution to customers, communities and Malaysia's wider Islamic finance ecosystem.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

6 INTERNATIONAL

Bank of Chengdu Co., Ltd ("BOCD")

BOCD delivered a resilient performance during the year, contributing RM1.4 billion to HLB's profit. The contribution moderated from the previous year, reflecting foreign exchange headwinds and the full-year effect of the lower stake in BOCD arising from conversion of the remaining BOCD's convertible bonds in February 2025.

Despite these factors, operating momentum remained positive. Growth was supported by targeted corporate sectors benefiting from government stimulus and continued accumulation of personal deposits.

Looking ahead, BOCD will strengthen its competitive position through product innovation, service enhancements and deeper technology adoption. Its strategic framework is also being refined to support higher-quality growth while maintaining prudent risk management and sound asset quality.

HL Bank Singapore ("HLBS")

HLBS delivered performance broadly in line with the previous year in local currency terms. Profit before tax amounted to RM123 million, while total income stood at RM314 million. The loan book expanded by 21.5% y-o-y to RM13 billion, supported by growth across the franchise. Fee income rose by 26.7% y-o-y and accounted for 36.4% of total income, reflecting the broader contribution from non-funded activities.

HLBS has progressively developed into a more comprehensive financial services provider serving SMEs, business owners and affluent customers through BCB, HLB Private Banking and PFS.

Within BCB, the commercial and SME loan book has quadrupled over five years from RM2 billion to RM8 billion. The business serves customers across sectors including government projects, transport and logistics, specialised real estate, electronics, financial services and the automotive industry.

Customer growth was supported through financing, treasury and hedging solutions, cash management services and digital transaction banking capabilities. Planned enhancements for FY2027 include digital customer onboarding, PayNow Corporate and the introduction of HLB ConnectPro in Singapore.

The strength of the franchise was recognised through two awards from Asian Banking and Finance in 2026: the SME Cross-Border Finance Innovation initiative award and Singapore International Foreign Exchange Bank of the Year.

HLB Private Banking continued to strengthen its regional proposition following the strategic rebranding completed in 2025. The business expanded its Relationship and Product teams, introduced offerings under the Regional Advisory and Financing Framework and enhanced its digital capabilities.

The next phase will focus on client and Assets Under Management acquisition, broader transaction capabilities through trading platforms and the use of AI-enabled portfolio analytics to improve the client experience.

PFS maintained growth in niche auto financing and mass affluent deposits. The Auto Finance business serves both consumers and SMEs and has built a loan book of RM3.5 billion. Digitalisation remained central to the PFS strategy. During the year, HLBS introduced LINKS for cross-border transfers between Singapore and Malaysia, PayNow Retail through its mobile banking platform and straight-through Auto Finance applications through participating dealers.

In FY2027, PFS will adopt a more mobile-first approach, supported by expanded transaction capabilities, wider use of PayNow Retail and LINKS on HLB Connect along with further enhancements to its deposit propositions.

Hong Leong Bank Vietnam ("HLBVN")

Vietnam's economy expanded by 7.8% y-o-y in the first quarter of 2026. However, liquidity pressures intensified as credit growth outpaced deposit expansion, contributing to significant NIM compression across the banking sector.

Against this backdrop, HLBVN recorded a 39 bps contraction in NIM, resulting in a decline of 49% y-o-y in profit before tax to VND71.4 billion. In ringgit terms, profit before tax fell by 53% y-o-y to RM11.2 million. Nevertheless, balance sheet growth remained strong as loans increased by 17.6% in local currency terms, while deposits rose by 12.1%. Asset quality also remained sound.

During the year, HLBVN introduced an embedded banking ecosystem through its partnership with So Ban Hang. The proposition enables SMEs to open accounts, manage payments and automate e-invoicing and bookkeeping within their day-to-day sales workflows.

By integrating banking and compliance tools within a single operating ecosystem, HLBVN reduced the administrative burden associated with back-office processes and tax compliance. This also allows HLBVN to engage customers more closely through the course of their daily business activities.

In the year ahead, HLBVN will focus on upgrading its core mobile platforms and broadening its ecosystem partnerships to support the commercial development and long-term financial needs of its SME customers.

Hong Leong Bank Cambodia ("HLBCAM")

Cambodia's operating environment became more challenging during the year as softer global trade, continued adjustments in the property sector and geopolitical uncertainty weighed on economic activity. GDP growth slowed to 4.8% in 2025 and is projected to moderate further to 4.3% in 2026 before recovering in 2027. Against this backdrop, the banking sector shifted towards balance sheet preservation, with greater emphasis on asset quality, liquidity management and capital resilience.

Credit demand remained subdued as businesses adopted a more cautious approach to investment and households faced elevated leverage. Property-related pressures also contributed to higher levels of impaired loans across the industry. HLBCAM maintained a loan portfolio of RM1.6 billion, a sound liquidity position with a LDR of 87.6% and a LCR of 117.8% as at June 2026.

In response to the more difficult environment, HLBCAM adopted a more proactive approach to credit risk management. Portfolio monitoring and underwriting standards were strengthened, while provisioning remained disciplined. Recovery efforts also continued, with greater emphasis placed on accelerating the resolution of impaired assets. Capital levels remained healthy, providing HLBCAM with sufficient resilience to manage ongoing market pressures.

The outlook for FY2027 remains cautious given persistent geopolitical uncertainty, evolving trade conditions and potential volatility in external demand. HLBCAM will therefore adopt a selective approach to growth, with priority given to strengthening asset quality and rebuilding the loan portfolio within targeted customer segments.

Reducing non-performing loans will remain a key focus, supported by closer credit monitoring, proactive portfolio management, prudent underwriting and disciplined sales execution. At the same time, HLBCAM will deepen relationships with viable customers and pursue opportunities in sectors demonstrating stronger resilience and longer-term strategic potential.

Hong Leong Bank Hong Kong ("HLBHK")

Hong Kong's economy expanded by 3.6% in 2025, supported by stronger external trade and improving private consumption. Exports of goods and services grew broadly, including in electrical machinery linked to AI-related demand, while inbound tourism and financial services also recovered. GDP growth for 2026 is projected at between 2.5% and 3.5%. The outlook remains subject to inflationary pressures, higher energy costs and geopolitical tensions, although these may be partly offset by steady inbound tourism support domestic demand, policy support from Mainland China and easing financial conditions.

During FY2026, HLBHK maintained strong liquidity and increased the yield on its interest-earning assets by purchasing bonds at higher prevailing yields. The bond portfolio remained concentrated in high-quality credits, with no rating downgrades or defaults recorded during the year.

BCB loan drawdowns were limited by slower credit marketing activity. The first drawdown during the year involved fully secured property-backed financing sourced through referrals from Head Office.

Looking ahead, GM will remain an important source of sustainable income. The branch will maintain a conservative investment approach focused on high-quality credits, while assessing opportunities to shift from fixed-rate bonds towards floating-rate notes should interest rates rise.

HLBHK also plans to diversify its lending portfolio beyond its current focus on the SME Financing Guarantee Scheme. Areas under consideration include property-backed secured lending and selective trade financing. Closer connectivity with other HLB offices will support this expansion by increasing both inbound and outbound customer referrals across the Bank's regional network.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

7 GROUP TECHNOLOGY

Overview

Group Technology advanced the Bank's transformation agenda in FY2026 by strengthening its operating model, modernising core infrastructure and scaling the use of data, AI and automation across the organisation.

Its work remained anchored in three established frameworks: Technology Role Transformation ("TRT"), Technology Transformation Objectives ("TTO") and Technology Operational Transformation ("TOT"). Together, these frameworks define how the division organises its people, sets service and resilience targets and executes the five-year Quantum Growth agenda to modernise the Bank's technology environment.

Advancing the Technology Transformation Framework

Strategic Operational Transformation

TECH ROLE TRANSFORMATION ("TRT")	TECH TRANSFORMATION OBJECTIVES ("TTO")	TECH OPERATIONAL TRANSFORMATION ("TOT")
Embed Technology in **Business Strategy**	Towards a vision of **99.999%** availability (To Exceed BNM RMIT)	**Covers 7 core areas below:**
Leadership Commitment	**Vision 1.5.10** (Identify Issues – Root Cause Analysis – Return to Operations, To Meet 5.15.30)	1 **Leadership** Team
Foster a **Technology-Driven Culture**	**10 Million** active customers regionally	2 Organisation Review on **Structure and Capacity**
Lead **Digital Transformation**	High **Agility,** High **Resilience** (NPS Score for Tech Team)	3 Operational Culture **Change Management**
Invest in **Talent & Skills Development**	**Clear Technology Roadmap** with regular semi-annual updates / alignment	4 **Process, Security,** and **Change Reviews**
Prioritise **Technology Investment**		5 **Reassess IT Investment**
		6 **Data Centre Upgrade**
		7 **Stability** and **Resilience** Enhancement

TRT continued to clarify responsibilities across the "Plan, Build and Run" functions. Separating development work from day-to-day operations has enabled teams to focus more clearly on long-term architecture, delivery quality and system reliability.

This operating model was supported by a technical dual-career track, which allows employees to progress through specialist as well as managerial pathways. The division also strengthened its talent pipeline through experienced appointments, digital-native graduates and structured knowledge transfer between junior engineers and senior architects.

TTO provided the common performance framework for the division. These included the Bank's Vision 1.5.10 incident response model, which aims to identify an issue within one minute, assemble the relevant response team within five minutes and begin corrective action within 10 minutes. This supports the broader objective of maintaining platform availability above 99.97%.

TOT remained the main programme for improving resilience and addressing technical debt. Backed by a Board-approved investment of RM52 million, the programme comprises seven operating pillars. By the end of FY2026, 21 of its 28 core activities had been completed.

Progress Across the Seven Pillars of Technology Operational Transformation

The first pillar focused on strengthening leadership oversight. Senior technology and security appointments were made during the year, while weekly on-site leadership rotations improved visibility over operational issues. Platform availability was also embedded into management performance measures, reinforcing accountability for service stability.

Under the second pillar, the division refined its organisational structure by separating Run-the-Bank responsibilities from Change-the-Bank activities. This was complemented by the establishment of an Operational Quality Assurance team and targeted workforce expansion to strengthen operational resilience.

The third pillar centred on operational culture. Daily morning huddles were standardised across 7 core technology teams, creating a more consistent process for reviewing system health, incidents and emerging risks. Cross-regional dashboards were also introduced to track incident-free operating days and identify recurring issues more quickly.

The fourth pillar addressed process, security and change management. Live operational dashboards now provide senior management with real-time visibility over critical systems, while design-for-failure principles have been incorporated into capacity planning and system architecture. Technology risk gaps identified through prior reviews were also progressively closed.

The fifth pillar focused on investment and capacity planning. A five-year growth forecast was completed for the Bank's 27 most critical systems, providing a clearer basis for future infrastructure investment. Change governance was also tightened to reduce operational risk during major system deployments.

The sixth and seventh pillars concentrated on stability and resilience. The Bank strengthened redundancy across 62 connected systems and completed the rollout of enhanced controls over privileged system access. Work also progressed on the modernisation of data centre infrastructure, storage networks and system containment.

Collectively, these seven pillars created a stronger operating foundation for the Bank's expanding digital services while reducing the risks associated with ageing infrastructure and increasing transaction volumes.

Modernising Data Architecture

The enterprise data environment continued to shift from periodic batch processing towards more real-time use of information. Live data pipelines were introduced to process selected account and transaction information as it occurs, giving the Bank a more current view of customer activity and enabling faster analytics and engagement.

The Bank also expanded its ability to process information held in unstructured documents. AI-enabled document processing is now being applied to trade and credit records, reducing manual extraction and improving the consistency of data capture.

Data Navigator remained an important part of the Bank's data democratisation agenda. The self-service platform allows business users to trace data sources and lineage without relying entirely on specialist teams, supporting faster and more informed decision-making.

At the same time, legacy data repositories were consolidated into a more unified enterprise analytics environment. This reduced duplication, strengthened data quality and provided a more reliable foundation for automation and advanced analytics.

Scaling AI Across the Bank

AI deployment progressed from isolated proof-of-concept projects towards more practical use across customer servicing, credit processing, collections, document handling and employee productivity.

The Bank's approach remained centred on controlled adoption. New tools and models were tested in secure environments before wider deployment, allowing technology teams to assess accuracy, security, regulatory implications and commercial value before moving into production.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

7 GROUP TECHNOLOGY

Approximately 7,200 employees gained access to conversational AI tools such as **Gemini** and **Gemini Notebook** during the year, generating around 4,000 interactions a day. These tools supported research, drafting, workflow automation and knowledge retrieval, reducing time spent on routine activities and allowing employees to focus on more judgement-intensive work.

AI-enabled document processing was also expanded across selected lending journeys. The technology automates data extraction and compliance checks from application documents, reducing manual handling and shortening processing times.

Trade document automation progressed through its initial phases and is targeted for full production deployment in September 2026. Once completed, the solution is expected to improve the speed and accuracy of processing complex trade documentation.

The most measurable progress was recorded in credit origination. Automated decisioning was introduced across selected Auto Loans, Credit Cards, Personal Loans and Retail SME Loans journeys. For Auto Loans, application turnaround time was reduced from approximately 4.5 hours to 45 minutes. The underlying systems can process more than 200 document types, allowing the Bank to handle higher application volumes without a corresponding increase in manual processing. This also enables employees to concentrate on exceptions, customer engagement and cases requiring more complex judgement.

AI continues to drive efficiency across collections and customer engagement. The Sophia collections engine has successfully automated key workflows to optimise resource deployment, handling work equivalent to approximately 44 employees. Voicebot and predictive tools remain under development for selected fraud and wealth-related use cases.

The first phase of the **AI Contact Centre** is scheduled for rollout in early 2027. The new platform will replace fragmented legacy systems and enable more integrated customer journeys across voice and digital channels, including handovers through WhatsApp for Business.

These initiatives demonstrate a gradual shift from AI as an experimental capability towards a more embedded operating tool that supports productivity, service quality and faster decision-making.

Enabling Digital Banking and Payments

Several business-facing platforms were strengthened during the year. The underlying architecture of **HLB ConnectPro** was modernised to support higher transaction volumes, faster deployment of new features and greater resilience. Development also commenced on a dedicated digital banking solution for sole proprietors, with the first phase scheduled for launch in December 2026.

Apple Pay and **Google Pay** were enabled across eligible debit and credit card portfolios in December 2025. Enhanced eKYC capabilities were subsequently introduced for Personal Loans, Credit Cards and CASA, using real-time facial matching and deepfake detection to reduce onboarding friction while strengthening security.

Technical readiness was also achieved for cross-border DuitNow person-to-person transfers with Singapore, with final clearing and public enablement progressing through the relevant payment networks. For Islamic banking customers, Group Technology supported the introduction of dedicated digital features covering zakat, sadaqah and pilgrimage-related services within the retail banking application.

Supporting Regional Transformation

Technology investments extended across the Bank's regional operations, with common capabilities adapted to local regulatory and commercial requirements.

In Singapore, the Bank progressed the modernisation of lending systems and strengthened corporate payment and onboarding capabilities. Corporate PayNow and enhanced cross-border onboarding workflows were introduced, while preparations continued for broader wealth and brokerage services.

In Vietnam, banking services were integrated into local merchant platforms, including the So Ban Hang ecosystem. This enables customers to manage payments, business administration and selected financial services within their daily operating workflows. The next phase of the Vietnam programme includes an upgraded loan origination platform and integration with the national digital identity system. Compliance controls were also strengthened by linking domestic transaction streams with centralised anti-money laundering screening.

In Cambodia, Group Technology supported the alignment of systems with the National Bank of Cambodia's revised Technology Risk Management requirements. It also enabled participation in Bakong Phase 2, expanding access to the interbank QR payment network.

Strengthening Cybersecurity and Operational Resilience

Cybersecurity and system stability remained central to the technology agenda. The Bank continued moving towards a defence-in-depth model that combines continuous monitoring, automated detection and multiple layers of protection.

Operational stability improved during the year. Total downtime declined from 7 hours and 44 minutes across 13 incidents in FY2025 to 4 hours and 55 minutes across 12 incidents in FY2026. This represented a 36% reduction in downtime and a 8% decline in incident count.

Infrastructure modernisation progressed through hardware refreshes, security upgrades and improvements to network and storage environments. The Green Data Centre was also fully commissioned, supporting lower operational emissions while strengthening system stability.

Vulnerability management advanced from periodic testing to continuous automated scanning and prioritisation. High-priority weaknesses were addressed within established service-level timelines, while Red Team exercises and phishing simulations tested both system defences and employee readiness.

A formal framework remained in place to manage legacy systems. Nine critical systems affected by historical technical debt continued to operate under Board-approved dispensations, supported by enhanced controls and continuous monitoring while replacement programmes progress.

Regulatory and Compliance Enablement

Technology delivery also supported regulatory reporting and financial crime controls.

Further phases of the liquidity reporting platform were completed, automating calculations for the LCR and NSFR. Additional enhancements supported BNM reporting and requirements relating to Foreign Account Tax Compliance Act ("FATCA") and the Common Reporting Standard.

The multi-phase e-Invoicing programme was completed, enabling automated submission of transaction information to the Inland Revenue Board of Malaysia. System changes were also implemented to support expanded Sales and Service Tax requirements across retail banking, credit cards, trade finance and core banking platforms.

The Bank progressed a major upgrade of its anti-money laundering, customer screening and sanctions controls, with completion scheduled for November 2026. In Vietnam, the next phase of the Fraud Detection System is targeted for completion in October 2026.

MOVING FORWARD

Group Technology will focus on completing the remaining operational transformation initiatives, modernising core infrastructure and bringing several major platforms into production.

Near-term priorities include the AI Contact Centre, broader deployment of automated credit decisioning, advanced loan onboarding and greater use of secure on-premise AI infrastructure. The Bank will also continue modernising selected lending, deposit, card and general ledger systems through more modular architecture. This is intended to improve flexibility, accelerate product development and reduce the operational burden associated with legacy platforms.

Information Security will develop its next three-year strategic roadmap, with emphasis on AI-enabled threat detection, synthetic identity fraud, prompt-injection risks and automated vulnerability management. Longer-term developments such as quantum-resistant cryptography, tokenised financial infrastructure and more advanced agentic AI will remain under assessment. Any future deployment will be subject to regulatory clarity, technical validation and established governance.

Across these priorities, Group Technology will maintain a measured approach to adoption, balancing innovation and speed with resilience, security and measurable business value.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

8 HUMAN RESOURCES ("HR")

Overview

HLB's people strategy remains focused on building a strong leadership and talent pipeline to support the Bank's ambition of becoming the Best Run Bank. This involves attracting, developing and retaining capable employees, while creating opportunities for continuous learning, career progression and recognition.

During FY2026, HR continued to align talent, leadership and organisational structures with the Bank's transformation priorities. The emphasis was on strengthening leadership depth, improving mobility across functions and markets, and placing people with the right capabilities in roles where they can contribute more effectively.

Organisational Transformation

Promotions and Internal Mobility

Career progression continued to be supported through broader mandates, cross-functional exposure and internal appointments. During the year, 22 senior leaders were promoted in recognition of sustained performance and leadership contribution. More than 750 employees across the organisation also progressed to higher roles.

These appointments reflect the Bank's continued preference for developing talent from within, while giving employees opportunities to take on wider responsibilities and build experience across businesses, functions and markets.

Several senior appointments during the year illustrate this approach. The former Chief Credit Officer and Advisor to the PFS Credit Division was appointed Managing Director and Chief Executive Officer of HLBCAM, bringing established risk and business experience into a regional leadership role. Within Group Compliance, the former Head of Financial Crime Compliance was appointed Chief Compliance Officer, strengthening continuity in the Bank's control and regulatory governance framework.

Internal mobility also supported the growth of Regional Wealth Management, where the former Head of Business Client Solutions in PFS was appointed Head of High Net Worth Business Development. The role is focused on expanding relationships across the high-net-worth and ultra-high-net-worth segments, including family offices.

Strengthening Distribution and Business Leadership

Leadership changes were also made across the Bank's distribution network to improve operational alignment and support business growth.

A National Head of Branch Operations Strategy and Risk Governance was appointed to oversee branch workflows, network effectiveness and risk governance. Other movements included appointments in Auto Loan Sales, Islamic Banking growth segment sales and regional community management. These changes broadened leadership coverage across the branch network and helped align regional responsibilities more closely with customer, sales and operating priorities.

The Bank also strengthened leadership capacity in areas central to its growth agenda. New appointments were made within Global Markets, HLBHK and BCB-i to support regional expansion, new revenue opportunities and the continued development of the Islamic corporate banking franchise.

Aligning Organisational Structures

Beyond individual appointments, several organisational changes were introduced to improve collaboration and bring specialist capabilities closer to the businesses they support.

Dedicated IT Business Partners were assigned to business, control and support functions, creating a clearer link between divisional priorities and technology planning while maintaining appropriate governance.

The Branch Wealth Distribution team was moved from Regional Wealth Management to Business Channels, bringing branch-based wealth activity under the wider distribution network. Oversight of Community Deposit Specialists was also incorporated into the expanded Branch Wealth Distribution mandate.

Within retail banking, the Business Analytics and Campaigns team was transferred from Marketing and Analytics to PFS. This placed analytical and campaign capabilities closer to the business, supporting faster use of customer insights in product, acquisition and engagement decisions.

The Regional Manager Operations role was similarly moved from Business Channels to Group Operations. This realignment was intended to strengthen consistency across branch operations, risk management and compliance, while maintaining close coordination with sales performance and talent development.

Workforce Transformation

Building Talent and Capabilities

HLB's learning and development agenda is aligned with the Future Skills Framework for the Malaysian financial sector, ensuring that employees build capabilities relevant to a more digital, data-driven and AI-enabled banking environment.

The framework is organised around four priorities: making learning accessible at scale, strengthening sales and commercial capabilities, using talent insights to guide development and building a stronger leadership pipeline. Together, these priorities support the Bank's broader objective of preparing employees for changing roles while strengthening organisational resilience.

Developing Future Skills

The HLB LEAP platform remained the main channel for bank-wide learning. Through the Jewel Series, employees accessed weekly e-learning modules, classroom sessions, conferences and masterclasses covering five priority skills: critical thinking, digital fluency, innovative thinking, problem-solving and communication.

Specialist development also expanded during the year. Selected employees participated in the Certified AI Practitioner programme conducted with the Asia School of Business, while other programmes covered data visualisation and financial analytics. Internal knowledge-sharing sessions, including data mining and growth segment workshops, allowed employees to apply expertise from within the Bank to practical business issues.

The HLB Accelerated Career Enrichment Programme was also introduced in collaboration with the Asian Banking School to support early-career development and build a stronger pipeline of banking professionals.

Expanding the Digital Learning Ecosystem

To encourage continuous and self-directed development, the Bank continued to curate learning pathways based on its digital learning ecosystem through Go1@Workday. Employees can access content from more than 200 providers across multiple formats, including videos, e-books, case studies, microlearning modules and interactive resources.

This multi-channel approach allows employees to select learning formats suited to their roles, development priorities and preferred ways of learning. Internal knowledge checks are also incorporated into selected programmes to reinforce understanding and application.

Building AI Fluency

As AI tools became more widely used across the organisation, learning programmes were expanded to help employees apply them effectively and responsibly.

The Mastering Google Gemini AI course was rolled out bank-wide to build practical familiarity with AI-assisted research, analysis and productivity tools. Completion of selected digital capability modules was also incorporated into employees' annual training key result areas, accounting for 5% of their performance goals.

This approach links technology adoption directly with workforce development. Rather than treating AI as a standalone technical subject, the Bank is building the skills needed for employees to incorporate it into everyday work while retaining responsibility for judgement, customer relationships, strategic governance and control.

Uplifting Sales Capabilities

Sales capability development continued through the Cohen Brown programmes, comprising Extraordinary Sales Leadership, Proactive Relationship Banking and Professional Sports Coaching.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

8 HUMAN RESOURCES ("HR")

These programmes recorded 551 module attendances during FY2026, with participation led by Proactive Relationship Banking, followed by Professional Sports Coaching and Extraordinary Sales Leadership. The programme combined onboarding for newer employees with refresher and masterclass sessions for experienced participants, strengthening both frontline execution and the broader sales leadership pipeline.

The training focuses on translating sales strategy into consistent daily behaviours, improving customer engagement and helping leaders coach their teams more effectively.

The Cohen Brown Extraordinary Sales Leadership Program is a dynamic, action-focused sales leadership process to motivate, enhance, and manage employees' sales behaviours on a daily basis

Strengthening Leadership Capabilities

Leadership development was structured around three stages: Leading Self, Leading Others and Leading Managers. This provided clearer development pathways as employees progressed into roles with greater responsibility.

The Driving the People Agenda programme equipped managers to oversee the employee lifecycle from recruitment through retention. Coaching for Performance provided a practical framework for setting expectations, guiding development and improving team outcomes.

These programmes were complemented by training in discipline and performance management, which strengthened managers' understanding of workplace procedures and industrial relations requirements. Executive Presence modules further supported leaders in communicating with greater clarity and confidence.

Together, these initiatives strengthened both the people-management and stewardship capabilities required to lead higher-performing teams.

Building Product and Service Innovation Capabilities

The Bank also invested in capabilities that connect business strategy more closely with technology delivery.

During the year, 78 employees across four cross-functional cohorts obtained the Professional Scrum Product Owner I certification. The programme developed skills in agile product management, prioritisation, stakeholder collaboration and the delivery of products and systems based on measurable value.

A tailored session was also conducted for senior leaders to strengthen understanding of agile ways of working at the leadership level. This supports more effective collaboration between business and technology teams and helps accelerate the development of customer and operational solutions.

Professional Scrum Product Owner ("PSPO") Certification - A curated C-level PSPO session was also conducted to cultivate the agile approach at HLB

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

HR Transformation

Digital HR and People Analytics

HR advanced its digital transformation by building on the Bank's existing Workday platform and introducing new analytics and AI-enabled tools across core people processes.

A centralised people data warehouse was established during the year, bringing together information on headcount, attrition, recruitment, internal mobility and workforce demographics. The accompanying dashboard gives leaders real-time visibility of these indicators, supporting faster and more informed workforce planning.

Employee support was also enhanced through the launch of Penny, an internal generative AI chatbot, in July 2025. Available around the clock, Penny provides immediate responses to common HR queries and reduces the volume of routine requests handled manually by HR teams.

The next phase will extend automation into talent acquisition. HR is developing AI-enabled tools to coordinate interview scheduling by checking interviewer availability and communicating directly with candidates. A separate sourcing capability is also being explored to match candidates within internal databases to open roles. These tools are intended to shorten hiring timelines, improve the candidate experience and free HR professionals to focus more on talent assessment, workforce planning and other higher-value activities.

Employee Lifecycle Management

Strengthening the Talent Pipeline

The Bank used a combination of university partnerships, graduate programmes, internships and digital channels to attract talent across different career stages.

Engagement with selected universities included career fairs, industry sharing sessions and direct interaction with students. These initiatives gave prospective candidates greater exposure to banking careers and allowed the Bank to identify talent earlier.

Internship programmes provided students with practical experience, professional networks and a clearer understanding of the Bank's culture and operating environment. They also served as a pathway into permanent employment for suitable candidates.

Since 2016, more than half of the participants in the Management Associate and Graduate Trainee programmes have secured permanent roles across the Bank. In FY2026, more than 80 graduates joined the Graduate Trainee programmes, with the aim of preparing them for key positions across the organisation.

Left to Right; University of Wollongong Career Fair, APU University Career Fair and Cash Management Workshop at Monash University Malaysia

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

8 HUMAN RESOURCES ("HR")

Supporting Internal Career Mobility

Internal mobility formed an important part of the Bank's approach to career development and talent retention.

Monthly Career Coach sessions offered practical guidance on communication, leadership, critical thinking and workplace relationships. Employees also received a weekly internal vacancy newsletter highlighting opportunities across the Bank and encouraging them to take greater ownership of their career progression.

A monthly "career coach" session is available to all employees on topics around soft skills such as communication, leadership and critical thinking with the help of experts from different fields including psychology, leadership and consulting

Career Week was organised with an intent to drive employee aspiration, foster growth, and raise awareness for key internal hiring opportunities

HLB Career Week further strengthened this effort under the theme "My Future Self: Imagine Tomorrow, Build Today". The programme combined virtual and physical sessions covering opportunities within Business Channels, Regional Wealth Management and Business and Corporate Banking, together with discussions on the future of work and future-ready skills.

The week concluded with workshops designed to help employees translate longer-term career aspirations into practical development and mobility plans. Taken together, these initiatives made internal opportunities more visible and encouraged employees to explore roles beyond their existing functions.

We close the loop by offering a weekly newsletter to share the first pick of meaningful opportunities available throughout the Bank for employees to apply and progress their career journey

Amplifying the Employer Brand

Digital channels played a larger role in communicating HLB's employee value proposition and strengthening its visibility as an employer.

LinkedIn was used to showcase leadership appointments, learning opportunities, employee engagement activities and the Bank's wider transformation agenda. This provided prospective candidates with a broader view of the organisation, its culture and the range of career pathways available.

The Bank will further use its employer brand platforms to attract experienced professionals and early-career talent, while reinforcing the connection between development opportunities, internal mobility and long-term career growth at HLB.

We use LinkedIn to showcase the breadth of engagement activities that the organisation has to offer (Left to Right) - Wear Purple Day for International Women's Day, HLB Impact For Nature Initiative - Mangrove Planting, World Cup Staff Viewing Session

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

8 HUMAN RESOURCES ("HR")

Professionalism, Governance and Workplace Safety

Elevating Professionalism and Compliance

The Bank requires every employee to complete at least 40 hours of training each year, including one dedicated day focused on digital innovation or sustainability. Mandatory quarterly e-learning modules on HLB@Workday reinforce key regulatory, conduct and institutional priorities, while more than 80,000 self-directed learning modules are available through Go1.

New employees follow a structured virtual onboarding programme comprising pre-reading, self-guided learning and virtual classroom sessions on essential banking operations. This creates a consistent foundation before employees assume their roles.

Professional certification also forms part of the Bank's approach to strengthening critical functions. Through its partnership with the Asian Institute of Chartered Bankers, employees in Audit, Anti-Money Laundering, Compliance, Credit and Risk are required to obtain relevant professional qualifications within five years of appointment. This supports stronger technical standards and reinforces accountability across functions with heightened governance responsibilities.

Upholding Corporate Governance and Culture

HLB's core values provide the behavioural foundation for how employees make decisions, manage risk and work with one another. These values are reinforced through the Code of Conduct and Ethics, the Talent Management Board Policy, the Remuneration Board Policy and the Learning and Development Management Policy. Regular reviews ensure that these policies remain aligned with regulatory expectations, business requirements and the Bank's longer-term objectives.

The Code of Conduct and Ethics also sets out HLB's zero-tolerance position on discrimination, harassment and intimidation, including sexual harassment. All employees review and affirm the Code during onboarding, with quarterly e-learning used to reinforce awareness throughout their employment.

This framework connects performance expectations with responsible conduct, helping employees balance commercial outcomes with ethical judgement, regulatory obligations and the interests of customers and stakeholders.

Strengthening Sales Integrity

Frontline capability development is closely linked to regulatory readiness and product knowledge. Under the "No Training, No Sales" programme for SME Banking and the "No Certification, No Sales" framework for PFS and PFS-i, relationship managers and sales employees must complete the relevant training or certification before engaging customers.

Annual compliance modules conclude with formal assessments requiring a minimum score of 80%. Follow-up assessments are conducted 30 days after training to test knowledge retention and identify areas requiring reinforcement.

By linking sales eligibility to demonstrated competence, the Bank strengthens market conduct, reduces the risk of unsuitable selling and promotes more consistent customer service across its frontline teams.

Maintaining a Safe and Healthy Workplace

The Occupational Safety and Health Policy and supporting standard operating procedures provide the framework for managing workplace safety risks across the Bank. An Occupational Safety and Health Committee comprising management and employee representatives oversees implementation. Mandatory e-learning is complemented by practical modules and workshops developed with the Property and Facilities Management team and aligned with national regulatory requirements.

Training includes recognised modules for Occupational Safety and Health Coordinators and First Aiders. Since July 2024, 264 employees have completed the coordinator module, including 52 who undertook the Department of Occupational Safety and Health's official training during FY2026. These measures strengthen workplace preparedness and help embed shared responsibility for health and safety across the organisation.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

Building Sustainability Capabilities

Sustainability learning was delivered through mandatory training, specialist development and voluntary digital modules.

More than 8,000 employees completed the Bank's annual Introduction to Sustainability e-learning course in FY2026. New hires also received sustainability training during onboarding, ensuring that awareness begins at the point of entry into the organisation. Employees directly involved in sustainability-related work attended external programmes covering sustainable finance, climate risk, reporting requirements and wider ESG developments. This complemented the digital modules available through Go1 on environmental sustainability, decarbonisation, sustainable investing and financial materiality. More than 2,000 employees completed these optional digital courses during the year, representing a 24% increase from FY2025. The growth in participation indicates broader employee interest in understanding how sustainability affects the Bank's operations, products and decision-making.

The HLB Impact platform extended learning beyond formal courses through talks, workshops and volunteering activities. These initiatives gave employees opportunities to apply sustainability principles through environmental restoration and community-based programmes. Among the major activities was a mangrove conservation initiative conducted with the Malaysian Nature Society. A total of 143 volunteers across Hong Leong Financial Group, including 122 from the Bank, contributed 1,144 volunteer hours. Their efforts included planting 111 mangrove saplings, germinating 500 seedlings, constructing five nursery boxes, collecting 182 kg of coastal waste and refurbishing seven fishing boats for the Kampung Tanjung Keramat community.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

8 HUMAN RESOURCES ("HR")

The Garden for Impact programme, organised with Eats, Shoots & Roots at the Sayur In The City community garden, engaged 165 employees over nine months. Participants received practical exposure to urban farming, composting and plant care, while the programme produced 23 kg of fresh produce and 298 litres of compost for the YWCA Vocational Training Opportunity Centre.

Together, these activities combined employee development with tangible environmental and social outcomes, reinforcing sustainability as both a professional capability and a shared organisational responsibility.

For more information on our HLB Impact initiatives, refer to our Sustainability Report 2026.

Employee Engagement and Wellbeing

Enabling Employees Through Strategic Engagement

HLB's employee engagement approach is organised around three priorities: Driving Aspiration and Growth, Building a Healthier Workforce and Fostering Sustainable Engagement. Together, they support career development, employee wellbeing and a stronger sense of connection across the organisation.

Under Driving Aspiration and Growth, employees receive practical guidance through Career Coach Virtual Brown Bag sessions and PlusVibes content on productivity, growth and workplace effectiveness. Internal career opportunities are also promoted through the "Step Up To Your Next Role" publication, encouraging employees to explore new responsibilities and progress within the Bank.

The Building a Healthier Workforce pillar combines preventive healthcare, mental wellbeing and physical activity. Monthly "Doctor in the House" sessions provide employees with access to medical experts, while health screenings and awareness initiatives reinforce early detection and healthier lifestyle choices.

These efforts are complemented by the HLB Sports Club, which organises physical and recreational activities across regions. By creating more frequent opportunities for participation, the Bank encourages employees to stay active while strengthening relationships beyond their immediate teams.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Operations Review

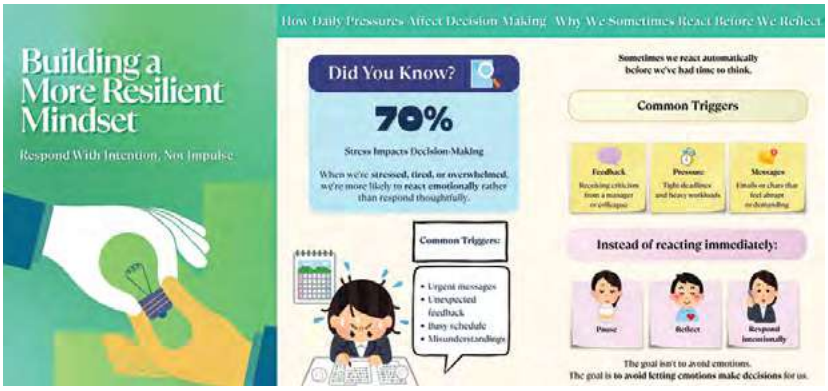
Fostering Sustainable Engagement

Employee feedback provides an important basis for improving the workplace experience. Survey findings are translated into action plans covering areas such as ways of working, development opportunities and organisational support.

Recognition is reinforced through the eTouch platform and Appreciation Month activities, which give employees structured channels to acknowledge colleagues who demonstrate the Bank's values and contribute beyond their formal responsibilities.

The Bank also marked occasions such as International Women's Day and Pinktober to promote inclusion, awareness and a stronger appreciation of workforce diversity.

Broader social activities created additional opportunities for employees to connect outside their day-to-day roles. These included staff viewing sessions and other shared events across the Bank's main campuses, supporting a more collaborative and connected working environment.



Weekly newsletters on productivity and time management provide tips on sustainable work practices

The Bank organises a variety of prevention, awareness and fitness activities for employee physical health. Clockwise from top left – HLB Sports Club, Wellbeing Virtual Brown Bag, Eye Health Screening and Postural Screening

MOVING FORWARD

HR will continue to align the people agenda with the Bank's transformation priorities, with emphasis on leadership depth, future-ready skills and stronger workforce mobility.

Digitalisation will remain a central focus. The next phase will expand the use of automation and AI across selected HR processes, including recruitment, employee support and workforce analytics. These capabilities are expected to improve efficiency and free HR teams to devote more attention to talent strategy, succession planning and employee development.

Capability building will also place greater emphasis on AI fluency, commercial skills, leadership effectiveness and cross-functional collaboration. By combining structured learning with internal mobility and data-driven talent insights, the Bank aims to prepare employees for roles that are becoming more complex, technology-enabled and customer-focused.

Across these priorities, HR will continue strengthening the systems, leadership and culture needed to attract, develop and retain talent in support of HLB's ambition to become the Best Run Bank.

SUSTAINABILITY STATEMENT

1. BASIS OF PREPARATION

1.1 Compliance with IFRS Sustainability Disclosure Standards

Hong Leong Bank ("HLB" or "the Bank") and its subsidiaries (collectively, "the Group"), align its reporting with the requirements of Malaysia's National Sustainability Reporting Framework ("NSRF") through the adoption of the International Sustainability Standards Board ("ISSB") IFRS Sustainability Disclosure Standards. This Statement outlines the implementation framework.

In addressing climate-related matters, disclosures are aligned with IFRS S2 Climate-related Disclosures across four fundamental pillars. Governance outlines the oversight mechanisms and role of the Board and Senior Management in directing climate-related risks and opportunities. Strategy details the Group's exposure to physical and transition risks alongside its strategic initiatives. Risk Management details the processes used to identify, assess, and mitigate climate exposures, whilst Metrics and Targets establish the quantitative indicators used to evaluate and report performance over time.

To address broader sustainability dimensions, the Group references the Sustainability Accounting Standards Board ("SASB") Standards for Commercial Banks, Consumer Finance and Mortgage Finance, in alignment with the guidance under IFRS S1. This approach ensures the materiality, relevance, and comparability of the disclosures provided.

1.2 Connectivity with Financial Statements

This Statement serves as a companion to the Group's consolidated financial statements for the financial year ended 30 June 2026—prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), the IFRS Accounting Standards, and the Companies Act 2016—and should be read in conjunction with them.

The organisational boundary for this Statement is aligned with that of the Group's consolidated financial statements. In evaluating sustainability-related risks and opportunities, the assessment extends beyond direct operations to cover the broader value chain, including other investees.

Climate-related time horizons are defined to evaluate the potential materialisation of climate-related risks and opportunities, aligned with the Group's Net Zero Targets as follows:

Short term	Medium term	Long term
0–5 years	6–10 years	10+ years

In line with the consolidated financial statements, all financial figures are presented in Ringgit Malaysia ("RM") and rounded to the nearest billion, unless otherwise stated.

1.3 First-Time Adoption of IFRS Sustainability Disclosure Standards and Transition Reliefs

This marks the Group's first year reporting under the International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards, for the annual reporting period ended 30 June 2026.

In accordance with the transitional provisions permitted by the ISSB and the relief mechanisms granted under the NSRF, the Group has applied a phased approach to its inaugural disclosures:

- **Climate-First Focus**: Disclosures for the current reporting period are dedicated exclusively to climate-related risks and opportunities under IFRS S2, applying IFRS S1 solely to the extent necessary to support climate reporting. Disclosures regarding broader sustainability topics will be introduced in subsequent reporting periods.

- **Principal Business Segments**: Climate-related financial disclosures are focused on the Group's primary operating segments. This scope incorporates relevant upstream and downstream value chain considerations, applying the reasonable and supportable information available without undue cost or effort.

- **Scope 3 GHG Emissions**: Scope 3 GHG emissions disclosures have been selectively disclosed, save for specific categories mandated by relevant regulatory authorities.

In December 2025, the ISSB published Amendments to IFRS S2: Greenhouse Gas Emissions Disclosures, effective for annual reporting periods beginning on or after 1 January 2027. The amendments had no impact on the Group's disclosure for FY2026 period. As of 30 June 2026, no other IFRS Sustainability Disclosure Standards have been issued by the ISSB.

2. OVERVIEW OF THE GROUP AND VALUE CHAIN

2.1 Overview of the Group

The Group was originally incorporated as Kwong Lee Mortgage and Remittance Company in 1905 in Kuching, Sarawak and later as Kwong Lee Bank Limited in 1934, bearing the heritage of the oldest local financial institution in Malaysia. Kwong Lee Bank Berhad was acquired by the MUI Group in May 1982 and renamed Malayan United Bank Berhad on 2 February 1983. In 1989, it was renamed as MUI Bank. On 3 January 1994, Hong Leong Group acquired MUI Bank Berhad through Hong Leong Credit Berhad (now known as Hong Leong Financial Group Berhad) and renamed it Hong Leong Bank Berhad. The Group was listed on the Kuala Lumpur Stock Exchange (now under Main Market of Bursa Malaysia) on 17 October 1994 and since then has grown to be a significant player in the Malaysian banking and financing landscape with its merger with EON Bank Group in 2011. The Group expanded its regional reach by establishing Hong Leong Bank Hong Kong (2004), Hong Leong Bank Vietnam (2009), and Hong Leong Bank Cambodia (2013).

The Group operates through five core business pillars: Personal Financial Services ("PFS"), Business & Corporate Banking ("BCB"), Regional Wealth Management ("RWM"), Global Markets ("GM"), and Islamic Financial Services ("HLB Islamic"). Across these pillars, we offer comprehensive and innovative financial solutions — including loans, credit cards, online and mobile banking, insurance, investment, wealth management and share financing—delivered through both digital and traditional channels.

2.2 The Group's Value Chain

The Group evaluates sustainability risks and opportunities across our full value chain, which includes upstream suppliers, own operations, and downstream customers, among others. This covers key activities, resources, and stakeholder relationships that drive our long-term financial health, resilience, and value creation.

<table>
<tr><th>Upstream</th><th>Own Operations</th><th>Downstream</th></tr>
<tr><td>Regulators, Associations and Governments</td><td>The Bank and its subsidiaries (collectively, "the Group")</td><td>Customers and Clients</td></tr>
<tr><td>Investors (Providers of Capital)</td><td rowspan="4">Employees</td><td>Investees</td></tr>
<tr><td>Vendors and Suppliers</td><td rowspan="3">Communities</td></tr>
<tr><td>Technology Providers</td></tr>
<tr><td>Business Partners</td></tr>
</table>

3. REPORTING BOUNDARY

3.1 Reporting Entity

The boundaries, assets, and operations comprising the reporting entity for this sustainability report are consistent with those defined in the Group's financial statements for the year ended 30 June 2026. There were no changes to the Group's structure during the reporting period.

3.2 Reporting Boundary (Excluding GHG Emissions)

For the current reporting period, the Group's identification and assessment of non-GHG physical and transition climate risks encompasses its Malaysia operations.

SUSTAINABILITY STATEMENT

While the reporting entity boundary for the Group's financial statements includes Malaysia and regional operations, these initial climate risk assessments are focused on Malaysia, as the jurisdiction accounts for the most material concentration of physical assets and operational dependencies.

Physical Risks Assessment

Evaluates direct exposures (acute and chronic climate events) across all branches, office facilities, and physical collateral assets situated within Malaysia.

Transition Risks Assessment

Evaluates policy, regulatory, technological, and macro-economic trends specific to Malaysia's economic and regulatory landscape.

3.3 Reporting Boundary for GHG Emissions

Organisational boundary

The Group applies the operational control criterion to define the organisational boundary for Greenhouse Gas ("GHG") emissions reporting in accordance with the GHG Protocol. Under this approach, an entity, asset, or operation falls within the reporting scope if the Group possesses the authority to establish and implement its operational policies and procedures. This covers our operations in Malaysia, Singapore, Hong Kong, Vietnam and Cambodia.

This criterion was selected to align GHG reporting with the Group's direct operational authority and environmental impact management, providing a more accurate reflection of operational influence than equity ownership alone. Consequently, this scope incorporates relevant entities, assets, and operations over which the Group exercises daily operational control, including those situated outside the financial consolidation perimeter.

The Group uses the following standards unless otherwise stated by IFRS S2:

Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol) to measure its GHG emissions.	GHG Protocol Corporate Value Chain Standard 2011 (Scope 3 Standard) to define the 15 categories of Scope 3.	Global GHG Accounting and Reporting Standard for Financed Emissions, Part A (Third Edition, December 2025) issued by the PCAF.

The GHG emissions reported by the Group are as follows:

Direct GHG emissions from sources owned or controlled by the Group are reported as Scope 1.	Indirect GHG emissions from the purchase of electricity is reported as Scope 2.	Indirect GHG emissions arising from the Group's activities and not accounted for in Scope 1 and Scope 2 are reported as Scope 3.

Any specific entities, operations, or asset classes that deviate from these established reporting boundaries or methodology standards are explicitly disclosed within their respective sections of this report.

4. JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

Where complete or precise empirical data is unavailable, the Group utilises estimation methodologies, assumptions, and data sources appropriate to the specific circumstances, drawing upon the most reliable information available as at the reporting date. The Group prioritises observable and verifiable inputs; where such data is absent, appropriate estimation techniques and market proxies are applied.

Sustainability disclosure frameworks and underlying data management practices continue to evolve globally; accordingly, actual future outcomes may differ from current estimates. Management periodically re-evaluates underlying assumptions in light of emerging data or refined analytical methodologies. Any material revisions are recognised and disclosed in the period in which they are identified, in accordance with the Group's standard reporting governance policies.

Based on these procedures, management considers the judgements, assumptions, and estimation techniques applied to be reasonable, providing a fair representation of the Group's sustainability-related risks, opportunities, performance, and prospects as at the reporting date.

4.1 Significant Judgements

Subject	Nature	Description
Materiality Process	**Significant Judgement**	This Statement is underpinned by a materiality assessment designed to identify the sustainability-related risks and opportunities that could reasonably be expected to affect the Group's prospects, including its financial performance, financial position, cash flows, access to finance, and cost of capital. The assessment focused on evaluating potential impacts on enterprise value and the decision-making of primary users of general-purpose financial reports. The evaluation encompassed current and emerging issues across the Group's direct operations and extended value chain. Each matter was assessed based on likelihood, magnitude of potential impact, and relevant time horizons (short, medium, and long term), incorporating insights from internal risk management processes, stakeholder engagement, industry trends, and regulatory developments. Additionally, the Sustainability Accounting Standards Board ("SASB") disclosure topics and metrics for the Group's industry classification were referenced to identify sector-specific risks and opportunities. Topics were selected where management determined they were relevant to the Group's business model, strategy, and risk profile, and where they could plausibly influence enterprise value or primary users' decisions. Metrics were excluded if they were deemed inapplicable, non-material to capital providers, or unreflective of the Group's specific risk profile. *Section 5 details the governing framework, criteria, and methodology applied.*
Organisational boundary for GHG emissions	**Significant Judgement**	The organisational boundary for GHG reporting is defined using the operational control approach. Under this approach, the Group accounts for GHG emissions from entities, assets, and activities over which it has the authority to introduce and implement operating policies and procedures. Determining operational control requires management's judgement, particularly for complex operating structures such as joint arrangements, managed operations, and leased assets. Management evaluates governance frameworks, contractual terms, day-to-day decision-making authority, environmental and safety management responsibilities, and the degree of direct operational oversight. In these assessments, commercial substance takes precedence over legal form to reflect the Group's practical ability to direct operational outcomes. Because these determinations directly impact the inclusion of entities and activities within the GHG inventory—and consequently influence reported Scope 1, Scope 2, and applicable Scope 3 emissions—management conducts annual reviews of the organisational boundary. Ad-hoc reassessments are also triggered by material acquisitions, disposals, restructurings, or changes to operational agreements to ensure alignment with the Group's evolving structure. *Please refer to Section 8.2 for additional details.*

SUSTAINABILITY STATEMENT

Subject	Nature	Description
Calculation methods for GHG emissions	**Measurement Uncertainty**	Scope 3 emissions are calculated using methodologies selected on a category-by-category basis, determined by the nature of the emission source, the availability and quality of data, and the suitability of the method in representing actual value chain impacts. Primary data is prioritised wherever it meets required standards for completeness and reliability. Where primary data is unavailable or insufficient, estimation techniques are applied—including spend-based models, activity-based calculations, and industry-average emission factors from recognised datasets appropriate to the specific category. Due to supply chain complexity, reliance on third-party data, and inherent data limitations, Scope 3 estimates carry a higher level of uncertainty than Scope 1 and Scope 2 emissions. Where data gaps exist, management applies reasonable assumptions regarding operational behaviours, transport distances, and activity parameters. Methodologies, data sources, and emission factors are subject to periodic review to enhance accuracy, completeness, and year-on-year comparability, with the objective of increasing primary data usage as data availability matures. Any material changes to estimation methods, underlying assumptions, or data sources are disclosed where necessary to ensure transparency and consistent interpretation of reported figures. *Please refer to Section 8.2 for details.*
Climate Scenario Analysis	**Measurement Uncertainty**	Climate scenarios provide a plausible description of potential future pathways based on coherent and internally consistent assumptions surrounding key driving forces (i.e. rate of technology adoption, policy implementation, fossil fuel transition). Unlike traditional financial stress tests anchored in historical market data, climate scenario analysis projects potential outcomes over extended time horizons (10 – 30 years). These long-term projections carry inherent uncertainties, including: • Uncertainties in human and policy responses to climate change; • Challenges in modelling localised weather responses accurately; • Complexities in translating climate hazards into direct financial impacts; • Data gaps regarding counterparty GHG emissions or climate strategies. Management must exercise significant judgement when interpreting climate scenarios, treating them as exploratory simulation pathways rather than predictive forecasts. The underlying methodologies, assumptions and data sources are subject to periodic review to maintain alignment with regulatory standards. *Please refer to Section 7.1 for additional details.*

Subject	Nature	Description
	Significant Judgement	Management must exercise significant judgement when interpreting climate scenarios, treating them as exploratory simulation pathways rather than predictive forecasts. The underlying methodologies, assumptions and data sources are subject to periodic review to maintain alignment with regulatory standards. *Please refer to Section 7.1 for additional details.*
Anticipated Financial Effects	**Measurement Uncertainty**	The Group's disclosure on the anticipated financial effects reflects management's assessment of how material climate-related risk and opportunities may impact future financial position, financial performance and cash flow. The assessment relies on reasonable and supportable information available, supplemented by expert management judgement to address data constraints. Where quantification findings were determined not to be decision-useful, qualitative insights are provided alongside explanation of key limitations. *Please refer to Section 7.1D for additional details.*

Where sustainability-related risks and opportunities have a material impact on the Group's financial position, financial performance, cash flows, or overall prospects, the critical accounting judgements and key sources of estimation uncertainty applied in the financial statements are similarly integrated into this Statement. This consistency applies to asset valuations, impairment assessments, useful lives and residual values, provisions and contingent liabilities, expected credit losses, decommissioning obligations, and long-term financial forecasts.

External factors—including regulatory developments, technological advancements, shifting market dynamics, evolving stakeholder expectations, and physical climate risks—simultaneously inform the management judgements reflected in both financial and sustainability reporting. In accordance with the connectivity principles embedded within the IFRS Sustainability Disclosure Standards, management strives to maintain structural alignment between financial statement estimates and sustainability-related disclosures, while acknowledging inherent differences in measurement objectives and levels of estimation uncertainty.

5. MATERIALITY ASSESSMENT

The Group maintains a formal materiality assessment process, conducted on a triennial basis and supplemented by annual reviews, to ensure disclosures remain responsive to emerging market trends, regulatory developments, and sector priorities. In FY2026, the Group enhanced this governance process by executing a comprehensive Double Materiality Assessment. This framework evaluates both the sustainability-related risks and opportunities that affect the Group's financial position, performance, cash flows, and enterprise value (Financial Materiality), alongside the actual and potential impacts of the Group's operations, products, and value chain on the economy, environment, and society (Impact Materiality). Together, these dual perspectives provide a robust, objective foundation for identifying material sustainability disclosures critical to both the Group and its key stakeholders.

SUSTAINABILITY STATEMENT

Sustainability-Related Risks and Opportunities ("SROs") Identification Process

Underpinning the Double Materiality Assessment is a four-stage governance process designed to identify, assess, prioritise, and monitor sustainability-related risks and opportunities ("SROs") that could reasonably be expected to affect the Group's financial position, performance, cash flows, and overall prospects:

SRO Identification

- The Group identified its sustainability-related risks and opportunities by analysing its internal operations, value chain interdependencies, and cash-flow impact drivers. This exercise was supplemented by internal risk processes, independent sustainability advisors, and direct engagement with key stakeholders. The Group also evaluated peer disclosures, industry trends, and leveraged formal external frameworks including SASB Standards for Commercial Banks, Consumer Finance and Mortgage Finance.

Stakeholder Engagement

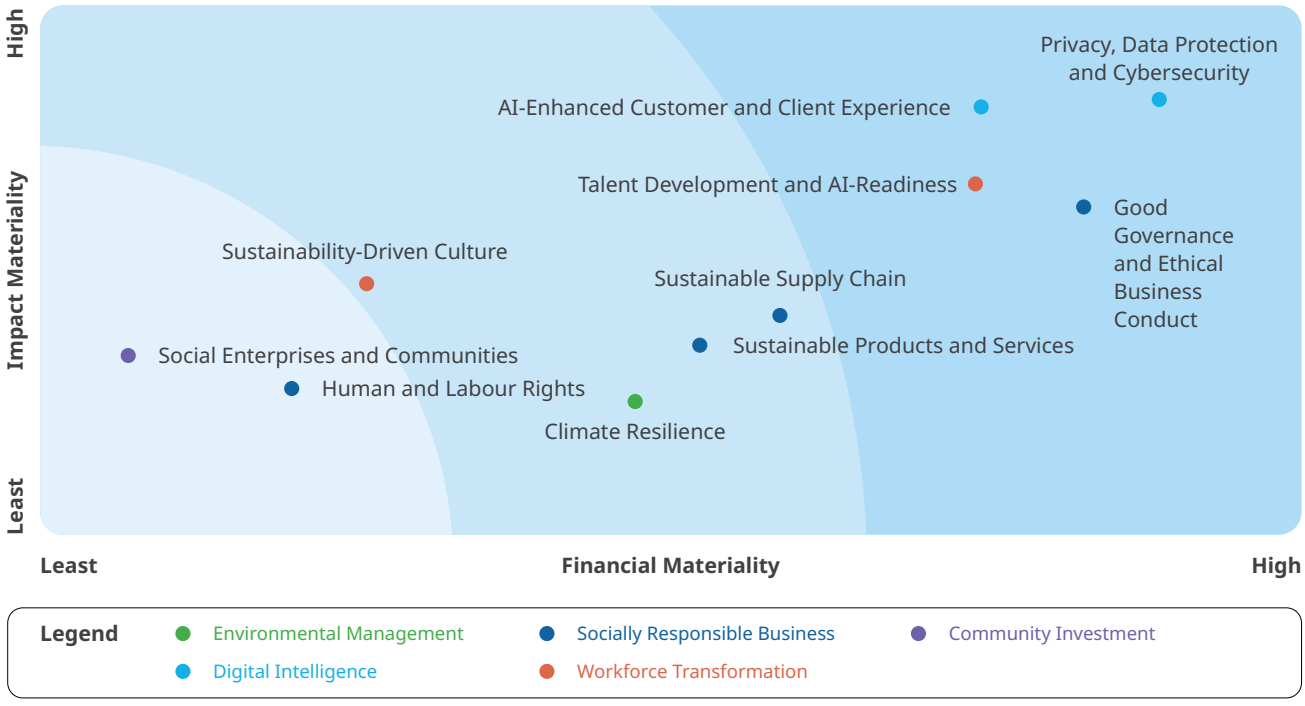
- Perspectives from internal and external stakeholders are captured via surveys and validated through executive workshops with the Board, Senior Management, and Heads of Department. Each SRO is evaluated against the Group's Risk Management Framework, scoring the severity, scope, and irremediability of negative impacts—as well as the scale and plausibility of positive opportunities—alongside their likelihood.

Assessment and Prioritisation

- **Impact Materiality**: Evaluates the severity and likelihood of the Group's actual or potential impacts on the economy, environment, and people, mapping results onto an Impact Materiality Matrix.
- **Financial Materiality**: Evaluates how identified SROs could generate material financial effects on cash flows, access to capital, or cost of capital over the short, medium, and long term against defined quantitative and qualitative threshold criteria, yielding a Financial Materiality Matrix.

Consolidation, Validation, and Determination

- Impact and Financial Materiality Matrices are consolidated into a unified Double Materiality Matrix to define the Group's principal SRO profile. The consolidated findings are reviewed by the Sustainability Committee ("SC") and formally endorsed by the Board Risk Management Committee ("BRMC") prior to public disclosure.



The top four financially-material Matters identified through the assessment are Privacy, Data Protection and Cybersecurity, AI-Enhanced Customer and Client Experience, Talent Development and AI-Readiness and Good Governance and Ethical Business Conduct. However, in accordance with the transition relief provisions, the Group has elected to apply the climate-first relief. Consequently, disclosures in this reporting period are limited to climate-related risks and opportunities under IFRS S2, and non-climate material topics have been excluded.

Although physical and transition climate risks do not currently present material financial impacts on the Group's financial position, performance, or cash flows, relevant climate-related disclosures are provided to offer stakeholders clear visibility into its risk management practices and ongoing readiness.

The SRO profile is periodically re-evaluated to maintain alignment with shifts in the Group's operating environment, strategy, risk appetite, and emerging market dynamics.

For the full methodology behind this assessment — including the stakeholder engagement process, the risk rating approach, and how impact and financial materiality were consolidated and validated — please refer to our Sustainability Report 2026.

6. SUSTAINABILITY GOVERNANCE

The Board sits at the top of this structure, as the Group's highest decision-making authority, overseeing the committees that develop strategy and manage risk, including climate risk, along with the competing priorities that come with it.

Effective oversight of the Group's economic, environmental and social impacts requires regular evaluation of the Board itself. This process reinforces good governance, enhances strategic decision-making and aligns Board oversight with long-term sustainability objectives.

The evaluation framework comprises two core components:

- **Individual Director Assessment:** Evaluate each Director's role, competencies, experience and contribution across financial, operational and ESG domains.
- **Board Collective Assessment:** Evaluate overall board size, structure, collective capabilities, integrity and adherence to fit and proper requirements.

For FY2026, the Board achieved an overall assessment rating of 'Highly Effective'.

Pages 19-21 in the Sustainability Report 2026 set out the governance structure and committee responsibilities in more detail.

6.1 Board Oversight

Within that structure, the Board Risk Management Committee ("BRMC") supports the Board by:

- Overseeing the management's implementation of the governance framework, internal controls, and related policies
- Ensuring that the management meets expectations outlined in the risk governance policy
- Supervising the management's execution of compliance risk management practices
- Promoting sound corporate governance principles throughout the Group
- Integrating sustainability considerations when reviewing risk management policies
- Monitoring progress against climate-related goals and targets

The BRMC receives periodic reporting on evolving sustainability and climate-related developments, enabling effective oversight of the Group's strategic execution and performance against established targets.

Dedicated risk management teams support the BRMC by integrating climate and sustainability criteria directly into the Group's existing Risk Management Framework. This integration ensures that sustainability-related risks and opportunities are systematically identified, assessed, monitored, and managed in alignment with core operational and financial risk categories.

The BRMC convenes at least eight times annually. The Chief Risk Officer ("CRO") provides periodic reports on sustainability and climate-related risks and opportunities; whilst the Chief Sustainability Officer ("CSO") adds dedicated updates at least four times a year.

SUSTAINABILITY STATEMENT

6.2 Role of the Sustainability Committee

The Sustainability Committee ("SC") supports the Board directly — overseeing the Group's sustainability approach, climate included, along with its Value-Based Intermediation ("VBI") strategies, and leading the sustainability and climate disclosure effort more broadly. It manages sustainability and climate-related risks and opportunities across the organisation under its own Terms of Reference, and reports directly to the BRMC.

Twelve permanent members sit on the SC, chaired by the Chief Financial Officer ("CFO") and include the Group Managing Director ("GMD") alongside Senior Management from Group Sustainability, Business & Corporate Banking, Personal Financial Services, Regional Wealth Management, Group Risk Management, Group Finance, Group Operations, Marketing & Communications, Human Resources, Group Compliance, and Islamic Financial Services. The SC sets direction for and tracks the progress of the Sustainability Working Committee ("SWC"), covering sustainability and climate work. Every SC member also carries sustainability and climate goals in their own performance scorecard.

The key roles and responsibilities of the SC include:

- To review and make recommendations to the Board on the Group's sustainability and VBI policies and enhancement programmes.
- To provide regular progress updates to the Board on the Group's sustainability achievements and implementation initiatives.
- To establish SWC groups which report to the SWC Chairperson who will be responsible for evaluating, assessing and recommending sustainability projects to the SC, and if approved, to oversee the implementation of the sustainability/VBI projects/strategies at the working level.
- To review the sustainability and VBI initiatives in managing sustainability risks such as environmental, climate, reputational risk in the banking book, operational, compliance, and the risk management processes.
- To review the adequacy of sustainability, VBI and ESG-related policies and frameworks in identifying, implementing, measuring, monitoring and controlling the impact of the Group's economic activities and operations and the extent to which these are operating effectively.
- To review and set short, medium and long-term targets and set sustainability Key Performance Indicators ("KPIs") for each sustainability and VBI initiative.
- To review SWC periodic reports on sustainability and VBI initiatives progress, risk appetite, portfolio composition, stress testing and sustainability management activities.
- To review the Sustainability Report and recommend for BRMC of HLB and HLISB endorsement and Board approval before publication.
- To ensure the Group complies with all regulatory requirements by Bank Negara Malaysia, Securities Commission Malaysia and Bursa Malaysia on ESG and climate-related impacts, risks and opportunities.
- Other sustainability functions as may be agreed by the Board.

6.3 Impact of Sustainability on Remuneration Policies

Sustainability-related KPIs have been built into employees' Key Result Areas ("KRAs"), grouped under the 'Here for the Long Term' pillar, which carries a 6% weighting. Every employee documents both qualitative actions and quantitative outcomes tied to their sustainability initiatives, building accountability and transparency into performance from the ground up.

Senior and middle management members with direct responsibility for embedding sustainability into divisional initiatives, the Group Managing Director ("GMD") among them, are evaluated against scorecard objectives aligned with sustainability and climate-related targets and strategy, carrying at least a 3.5% weighting, rising to a maximum of 70% for the Chief Sustainability Officer.

6.4 Sustainability Risk Management

Sustainability and climate-related issues are embedded within the risk management process itself rather than managed in isolation. This approach would allow the Group to identify, assess and manage emerging sustainability and climate risks and opportunities in the same breath as traditional enterprise risks — which in turn supports responsible growth, builds organisational resilience, and drives long-term value creation for stakeholders.

Group Risk Management ("GRM") and Group Compliance ("GC") lead the enterprise-wide Risk Management Framework that makes this possible, pairing top-down strategic direction with bottom-up review of internal procedures and controls to provide a holistic view of the Group's risk exposure.

The Group's key risk exposures under the Risk Management Framework are reported on a regular basis to the BRMC. The Committee reviews and deliberates on reports submitted by GRM and GC, providing periodic updates and recommendations to the Board of Directors where necessary.

A Three Lines of Defence ("3LOD") model runs underneath all of this, establishing clear accountability and independent assurance across all risk categories, including sustainability and climate-related risks. The business compliance and operational risk units act as the first line, managing day-to-day compliance. GRM and GC form the second line, reviewing portfolio risks and ensuring effective controls. Group Internal Audit serves as the third line, evaluating the effectiveness of overall internal controls. The Risk Management Framework and 3LOD model are reviewed regularly to keep pace with regulatory expectation and industry practice.

Pages 145 - 157 in the SORMIC section of this Annual Report set out the Risk Management Frameworks and Key Risks in more detail.

Managing Climate-Risk

Every relationship the Group has with an organisation or an individual involves direct or indirect ESG factors, establishing ESG risk, of which climate risks are embedded, as a primary focus area.

Sustainability/ESG risk represents the potential for emerging or material environmental, social and governance factors to adversely impact financial performance, resulting in operational or capital losses that could affect organisational stability.

Environmental, social and governance each capture a distinct operational area, together giving the Group a full picture of where it stands. Environmental safeguards cover the Group's approach to the environment, climate change policy included, whilst social considerations address stakeholder engagement and relationship management with stakeholders, employees, suppliers, customers and communities among them. Meanwhile, governance defines organisational oversight, detailing how the Board and Management discharge their fiduciary duties to ensure ethical business practice, and maintain robust internal control frameworks.

Policies, principles and codes of conduct align the Group's operations with stakeholder expectations on responsible lending and financing. These frameworks encompass environmental and social risk screening, financial evaluation of existing and prospective customers, and basic banking products for underserved segments to enhance financial inclusion. Credit policy requires sales and credit staff to check borrowers' compliance with relevant environmental and social laws, both when a facility is first approved and subsequent annual reviews.

SUSTAINABILITY STATEMENT

Risk Management Process

ESG risk management, including climate risk, sits inside the Group's wider Risk Management Framework, aimed at protecting the corporate objectives while keeping outcomes tied to the Group's Sustainability Material Matters. Four steps carry that through:

Identification	Sustainability risks are surfaced proactively and tested against the Group's established framework, policies and procedures.
Assessment and measurement	Likelihood and severity are judged through both a financial and an ESG lens; for climate specifically, short-, medium- and long-term effects on the Group's portfolio and operations are weighed too.
Management and control	Risks are kept within the Group's defined appetite, with controls and limits reviewed regularly against regulatory change and stakeholder expectation — and any breach escalated at once for discussion and remediation.
Monitoring and reporting	Relevant committees — the SWC, SC and BRMC — receive regular updates on sustainability risk and ESG performance.

Two complementary lenses run through all of this: a qualitative one, tracking how ESG policies are actually being implemented, and a quantitative one, converting ESG risk into an estimate of expected financial loss using sustainability metrics as the yardstick.

Risk Appetite

The Group's risk appetite statement ties its operations to its Net Zero ambitions, expressed through two explicit boundaries:

Quantitative

Firm emissions targets and financing goals for green and sustainable projects.

Qualitative

Active monitoring of reputational risk tied to high-risk, carbon-intensive sectors, as Bank Negara Malaysia ("BNM") defines them.

Together, these push the Group and its clients toward a low-carbon transition that is both realistic and meaningful.

To stay ahead of a fast-changing ESG landscape, the SWC tracks all Group-wide ESG initiatives, reviewed periodically by the SC and the BRMC as a basis for discussing key impacts and opportunities. ESG data is still maturing, and the Group's systems, data collection and methodology will keep being refined as a result — with metrics and targets sharpened further as data granularity improves.

Assurance

An independent review of the Bank's credit evaluation process — the Sustainability Risk Assurance exercise — checks that this all holds up against internal standards for assessing customers' sustainability profiles. Since 2021, the Independent Credit Review Function has built ESG questionnaires into its post-credit approval reviews for corporate clients, asking whether a company sits in a high-risk environmental sector and whether an ESG Enhanced Due Diligence Assessment has actually been done. Combined with ESG's place in the Bank's policies and its Risk and Control Assessment Questionnaire ("RCAQ"), this rounds out the Bank's broader approach to environmental and social risk.

Risk Culture and Training

A strong risk culture doesn't happen on its own — it takes sustained training and targeted initiatives, building risk management knowledge at every level of the Group in support of stable, sustainable growth. New joiners get onboarding training; everyone else gets a quarterly mandatory refresher, both covering:

- Cybersecurity and Cyber Risk
- Regulatory Compliance Risk
- Credit Risk
- Financial Crime Risk
- Business Continuity Management

Online tests and formal accreditation close out each programme, confirming what employees have actually learned and can apply.

7. CLIMATE-RELATED RISKS

7.1 Climate Resilience

Climate change presents a growing threat to the environmental and economic landscape. Physical hazards and evolving stakeholder expectations are increasingly reshaping how corporate entities and financial institutions operate across different time horizons. To address these risks, the Group has focused on strengthening its climate risk governance and continued its decarbonisation initiatives during the financial year. Accordingly, the Group has aligned its climate risk disclosures with the global IFRS Sustainability Disclosure Standards for this reporting period.

A. Description of Climate-related Risks

BNM's Climate Risk Management and Scenario Analysis ("CRMSA") framework and the TCFD framework both shape how the Bank identifies, assesses and manages this risk across its operations and value chain. In compliance with NSRF, the Bank is progressively aligning its disclosure with IFRS S2 Climate-related Disclosures by FY2028. The Bank's approach undergoes periodic review to reflect emerging risks and evolving market conditions.

Two broad categories capture most of this: physical risk, direct in nature, and transition risk, which tends to work indirectly through the wider economy. Both sit inside the Bank's existing risk categories, spanning short-, medium- and long-term horizons.

SUSTAINABILITY STATEMENT

Physical Risk – Potential Impact on the Bank's Value Chain

Physical climate risk refers to potential financial and structural impact resulting from climate-induced hazards. For the Bank, flood risk represents the main physical threat driven by above-average rainfall patterns across Southeast Asia. Given that the Bank's portfolio composition is concentrated in Malaysia relative to its regional footprint, the domestic flood risk exposure has been evaluated and incorporated into the Bank's physical risk assessment.

Severe flood events may also trigger cascading impacts across other banking operations, as illustrated below:

Operational risk	Temporary office closures due to damage to physical assets; infrastructure damage leading to supply chain disruption.
Enterprise-wide risk	Inadequate capital buffers to absorb climate-related risk events, potentially causing financial and non-financial losses and undermining investor and consumer confidence.
Credit risk	Impact on debt repayment increasing the possibility of default; reduced business profitability increasing obligors' credit risk.
Liquidity risk	Reduced cash inflow from customers unable to service loan obligations; large deposit withdrawals to fund capital spending on flood-related repairs; reduced liquid asset value from mark-to-market ("MTM") losses on investments held.
Market risk	High volatility or abrupt decline in the value of climate-incompatible securities held by HLB; asset repricing that may reduce revenue; MTM losses.

Transition Risk — Potential Impact on the Bank's Value Chain

Malaysia's commitment to achieve Net Zero by 2050 is anchored by the National Energy Transition Roadmap ("NETR") and its Nationally Determined Contribution ("NDC") under the Paris Climate Accord. Both frameworks emphasise a low-carbon transition centred on renewable energy expansion, industrial decarbonisation and implementation of carbon pricing mechanisms across the economy.

These national commitments translate into emerging regulatory requirements and heightened transition risks for the Bank, as detailed below:

Technology risk	Increased cost of researching and developing new technologies; capital investment required for low-emission infrastructure; write-offs associated with stranded assets.
Reputational risk	Revenue reduction from decreased demand for goods and services that do not meet investor and customer expectations.
Strategic risk	Decrease in market share and profitability.
Enterprise-wide risk	Inadequate capital buffers to absorb climate-related risk events, potentially causing financial and non-financial losses and undermining investor and consumer confidence.
Credit risk	Impact on debt repayment increasing the possibility of default; reduced business profitability increasing obligors' credit risk.
Liquidity risk	Reduced cash inflow from customers unable to service loan obligations; large deposit withdrawals to fund capital spending on low-carbon equipment; reduced liquid asset value from MTM losses.
Market risk	High volatility or abrupt decline in the value of climate-incompatible securities held by the Bank; asset repricing that may reduce revenue; MTM losses.
Policy and legal risk	Increased operating costs to comply with regulatory standards and reporting requirements; additional costs from penalties related to non-compliance or environmentally damaging activity.

B. Effect on Business Model and Value Chain

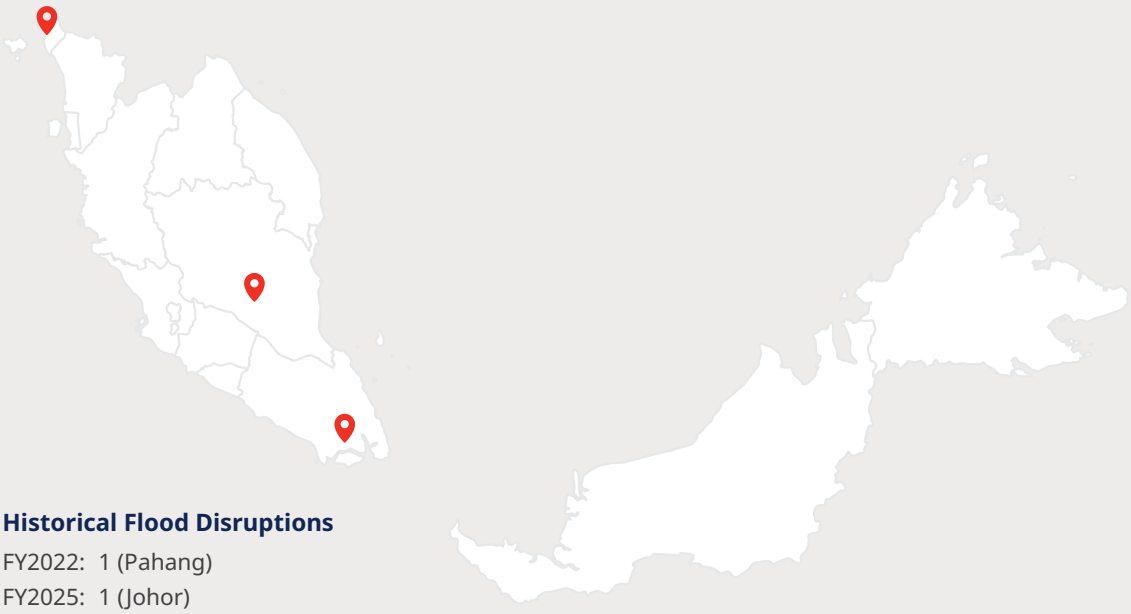
Climate-related physical and transition risks primarily affect the Bank's business model and value chain via direct operational footprint and downstream customer portfolio exposure.

Flooding: The Most Pressing Physical Risk

Of the physical risks monitored, flooding carries the highest likelihood of impacting the Bank's operations, and represents its largest allocation of resource and analytical capacity. During this reporting period, the Bank recorded one temporary closure due to inaccessibility at its Kangar branch caused by Storm Senyar, bringing the historical total to three.

SUSTAINABILITY STATEMENT

Location of Historical Flood-affected Branches



Historical Flood Disruptions

FY2022: 1 (Pahang)
FY2025: 1 (Johor)
FY2026: 1 (Perlis)

Physical climate hazards pose parallel risks to the Bank's customers, where flood-induced property and asset damage can interrupt business operations. This can affect a customer's repayment ability and influence the probability of default ("PD") across the Bank's portfolio. Furthermore, physical damages to underlying property could lead to depreciation in collateral value and affect loss given default ("LGD"), both of which factor into expected credit losses ("ECL") provisions in affected portfolios.

Decarbonising as Transition Priority

The Bank faces transition risks driven by evolving stakeholder expectations regarding the management and reduction of greenhouse gas ("GHG") emissions from its direct operations. In response, the Bank implemented targeted decarbonisation measures through its Energy Efficiency & Conservation ("EE&C") efforts. While these initiatives entail upfront operational expenditures, they support enhanced oversight and operational efficiency across our branch network.

Customers also operate under heightened expectations to decarbonise, particularly within carbon-intensive sectors such as energy, manufacturing, construction, agriculture, waste management and transportation. A converging landscape of climate policies, rapid green technology development and shifting market demand requires customers to implement robust decarbonisation plans or risk declining profitability and elevated operating costs. For the Bank, delayed or inadequate customer transition would heighten its Scope 3 financed emissions and transition risk exposure, leading to elevated PD and ECL parameters across our credit portfolios.

C. Effect on Strategy and Decision-making

Flood Exposure Within Our Operations and Portfolio

To address potential physical climate impacts, the Bank deployed analytical tools to assess flood risk exposure across its operations and downstream customers. The evaluation of riverine flood exposure utilises Geographic Information System ("GIS") software to geotag every operational asset and real estate collateral. Where address tagging cannot be automated, manual verification is conducted against authoritative sources such as state land department maps, followed by several rounds of validation to ensure data accuracy.

That groundwork supports the formation of an in-house flood risk map tailored specifically to Malaysia's geography. It's grown in stages:

FY2024	FY2025	FY2026
The Bank produced its first iteration, blending historical flood records with rainfall projections drawn from the Department of Irrigation and Drainage ("DID") and the National Water Research Institute of Malaysia ("NAHRIM").	To satisfy Climate Risk Stress Test (“CRST”) requirements for short-term acute physical risk assessment, the Bank layered in topographical data and added flood severity ratings, sharpening the map's precision.	The Bank migrated its flood map to an internal GIS software, unlocking more granular assessments across the Bank’s operations and broader portfolio.

Beyond the portfolio, the Bank applied the same evaluation framework to its internal operations, assessing potential riverine and coastal flooding disruptions, in line with both CRMSA and CRST guidelines. Underpinning this approach is an escalation process and Business Continuity Plan ("BCP") designed to maintain customer service continuity during branch disruption, while providing clear operational visibility as events occur.

During the financial year, that plan was activated following the temporary closure of the Kangar branch due to Storm Senyar. While an isolated incident, this marks the third climate-related closure since the Bank commenced tracking flood-related disruptions. Although infrequent, each occurrence provides actionable insights that help refine the assessment of physical risk vulnerabilities.

Approach to Transition Risk

Energy consumption drives a large share of GHG emissions, making energy efficiency and its associated emission reduction an operational focus. In practice, that involves building employee awareness, sharpening emissions data through knowledge-sharing, and putting supporting policy in place: GHG standard operating procedures ("SOPs") and the Management Policy on Environment (Energy, Water and Waste Management) chief among them.

The Bank is currently developing a comprehensive climate transition plan that outlines strategic priorities and initiatives for its direct operations, alongside a sectoral decarbonisation approach for its loan portfolio. In the interim, carbon sequestration projects and energy efficiency measures round out the Bank’s decarbonisation efforts, supported by employee upskilling, awareness-building and active participation in the Bank’s Net Zero commitments.

SUSTAINABILITY STATEMENT

As most of the Bank's operational GHG emissions fall under Scope 2, we have implemented several decarbonisation initiatives, including:

- Energy Efficiency & Conservation ("EE&C") upgrades across our branches and office buildings.
- Energy reduction programme on air conditioner temperature control.
- Mangrove restoration programme at Kuala Selangor Nature Park ("KSNP").

The Bank remains committed to supporting its business customers through their climate transition journeys. Established in FY2020 to guide ESG due diligence across non-retail lending portfolios, the BCB ESG Policy & Assessment Framework has since been updated to align with BNM's Climate Change and Principle-based Taxonomy ("CCPT"). This ensures all relevant borrowers are assessed in accordance with regulatory expectations.

Additionally, the Bank maintains a General Exclusion List prohibiting illegal or high-risk activities, which includes a firm commitment to cease financing for greenfield coal-fired power plants beginning 1 July 2021 and all coal-fired power plants effective 1 July 2026.

These initiatives are funded and executed using internal cash flow and existing operational resources. Additional information on the initiatives can be viewed on page 103 - 108 of this Report.

D. Financial Effects

Own Operations

Physical Risk

Climate-related physical risk remains immaterial to the Bank at present, though income from sustainable financing points to a significant transition opportunity running in the opposite direction. Based on current estimates, no material adjustment to reported assets and liabilities is expected within the next 12 months.

This picture held true through FY2026 itself. The Bank experienced only a minor operational disruption at its Kangar branch following Storm Senyar, and even then, no asset damage resulted, the disruption limited to temporary physical inaccessibility caused by flooded access roads. All existing office buildings, branches and critical facilities carry low flood risk exposure, requiring no additional adaptation measures for now, which means physical risk had no material impact on the Bank's financial position, financial performance or cash flow for the year.

Looking back further reinforces this: since FY2022, the Bank has recorded just three flood-related incidents, none resulting in material financial loss or expenditure, a track record that reflects robust BCP measures rather than good fortune alone. On present evidence, the Bank does not anticipate any material impact on its financial position, financial performance or cash flow from flood events going forward either.

Transition Risk

The current financial effects of transition risk on the Bank's financial position, financial performance and cash flows relate primarily to the decarbonisation initiatives implemented to support its short-term Net Zero targets.

For FY2026, the Bank's financial position reflected capital additions associated with EE&C branch upgrades alongside solar panel installations. Furthermore, the operating expense in the Bank's financial performance incorporated expenditure to fund our flagship mangrove restoration programme. The cash outflows associated with both decarbonisation measures were included under investing and operating activities in the Statement of Cash Flows ("SOCF").

The anticipated financial effects of transition risk are based on internal projection of the phased EE&C installations across remaining branches, as well as continued implementation of the mangrove restoration programme. The Bank does not expect any material adjustment to the carrying amount of reported assets and liabilities stemming from both physical and transition risks within the next 12 months.

Downstream Activities

Physical Risk

The current and anticipated financial effect of physical risk impact on the Group's financial position, financial performance and cash flows stem primarily from potential ECL increase, driven by impaired loans and depreciation in collateral value from increased flood risk exposure.

Leveraging on existing geocoding tools and flood risk maps, the Bank assessed its mortgage portfolio and concluded that the current and anticipated financial effect of flood risk on its portfolio is not material. Nevertheless, the Bank maintains ongoing flood risk assessments for customer collateral assets, as well as conducting regular climate scenario analysis to monitor and adapt to the evolving nature of physical climate risk.

Transition Risk

The Bank is currently developing a comprehensive climate transition plan to guide sectoral decarbonisation, particularly across high-emitting sectors. At present, operational expenditure increases associated with these decarbonisation initiatives remain immaterial to the Bank.

To evaluate potential climate transition impact (i.e. carbon tax, climate policies), the Bank conducted a climate scenario analysis under the Divergent Net Zero pathway. In the absence of historical data, climate-adjusted PD were derived for high-emitting sectors based on key macro-economic variables ("MEVs"). As of FY2026, climate-related scenarios are not expected to have a material impact on the Bank's ECL, nor is any effect on cash flows anticipated.

The Bank excluded quantitative disclosure regarding medium- and long-term financial effects due to the uncertainties surrounding long-term MEV projections. Key dynamic factors include: (i) Commercial viability and deployment cost of emerging green technologies, (ii) national carbon pricing mechanisms, (iii) scope and timeline of future climate policy implementations. Given these high-uncertainty variables, quantitative projections over extended horizons cannot be reliably estimated.

The Bank does not expect any material adjustment to the carrying amount of reported assets and liabilities stemming from both physical and transition risks within the next 12 months.

E. Resilience of the Group's strategy and business model in relation to climate-related risks

Climate-related scenario analysis

In FY2025, the Bank conducted a qualitative assessment of physical and transition risk across its internal operations and value chain over short-, medium- and long-term horizons, using climate scenarios from the Network for Greening the Financial System ("NGFS"). Guided by BNM's CRMSA policy document and the Methodology Paper for the 2024 CRST exercise, this approach established a framework to gauge the commercial and financial impact of climate change on the Bank's loan and financing portfolios, informing action plans to enhance climate resilience.

The Bank utilised a specialised climate analytic platform to quantify forward-looking physical hazard and transition risk projections at both individual asset and portfolio levels. Incorporating key input parameters (i.e. asset location, collateral type, baseline credit risk components), the platform calculated post-flood damage estimates expressed as annualised damage rate ("ADR") to quantify potential financial losses and cost of business interruption.

To understand how transition risk affects borrowers and the broader economy, the Bank used specialised climate model that estimates how the companies' earnings may be affected from:

- **Industry-wide Cost**: How the industrial sectors are affected by carbon tax and energy costs.
- **Market Rivalry**: How individual companies perform against their competitors in terms of GHG emission reduction and climate transition plans.

SUSTAINABILITY STATEMENT

For the purpose of CRST exercise, the Bank's financial statements were modelled using operational data for Malaysia as at December 2023 position. The exercise also assumes a static balance sheet approach, where the Bank's asset maturity and management actions remain unchanged throughout the assessment period, allowing for high-level overview of balance sheet changes under different climate scenarios.

Long-term adverse climate scenarios

Long-term adverse scenarios published by the NGFS add a further layer of rigour, applied in line with the CRMSA policy document and the Methodology Paper for the 2024 CRST exercise. They map out how physical and transition risk could play out in Malaysia through to 2050, across three distinct scenarios:

Climate Scenarios	Policy Ambition	Policy Reaction	Technology Change
Net Zero 2050 (Orderly Scenario) • Immediate implementation of clean energy technological innovation and strict climate policies to rapidly curb GHG emissions • Market reforms consisting of carbon pricing and fossil fuel subsidy removal implemented in a more sustainable manner	**Limit at 1.5°C**	**Immediate and smooth**	**Fast change**
Divergent Net Zero (Disorderly Scenario) • Explores diverging paths to carbon neutrality (e.g. disorganised implementation of climate policies across industries) • Disorderly manner of policy implementation resulting in higher disruption to business operations and profitability • Different nations embrace different solutions to effectively meet their Net Zero targets while others encounter obstacles and struggle to progress	**Limit at 1.5°C**	**Immediate but divergent**	**Fast change**
Nationally Determined Contributions (Hot House World Scenario) • Pledged targets under the Paris Agreement are achieved, even if not currently supported by effective implemented policies • The limited policy actions taken are insufficient and will lead to an approximate 2.6 degrees Celsius (°C) increase in temperature • Lower gross domestic product ("GDP") and reduced consumption in the medium to long term horizon due to large funding to minimise the aftermath effect of physical risks	**Approx. 2.5°C**	**NDCs**	**Slow change**

These scenarios are examined on a regular basis to determine whether scenario parameters need to be adjusted.

The scenarios set are made based on the following key assumptions:

Parameter	Scenario 1: Orderly	Scenario 2: Disorderly	Scenario 3: Hot House World
Physical Risk	Limited	Limited	High
Mean Temperature Rise	1.4°C	1.4°C	2.6°C
Transition Risk	High	Moderate - higher	Lower
Carbon Price	USD 325.40	USD 698.90	USD 41.60

**In 2050, USD per tCO_2e based on 2010 prices, and regional carbon prices*

Assessing scenarios by severity of impact

The timing, frequency and severity of climate-related events are inherently uncertain due to the long timeframes of climate projections, a challenge underscored by recent shifts in weather patterns that highlight the necessity of forward-looking assessment over reactive measures. Scenario analysis serves as an analytical tool to anticipate plausible outcomes and build strategies that strengthen climate resilience, despite the inherent uncertainties of climate models and developing climate data sets.

Findings from climate scenario analysis informed the identification and prioritisation of climate-related risks and opportunities within the Bank's Double Materiality Assessment in FY2026. Since FY2024, both the retail and non-retail portfolios have undergone NGFS climate risk scenario analysis as part of the Bank's annual stress testing. The anticipated business and financial implications across time horizons are detailed below:

i. Scenario 1: Orderly ("NZ 2050")

Limits global warming to 1.5°C through stringent climate policies and green technology innovation, reaching global Net Zero CO_2 emissions around 2050.

Short Term (2024–2029)	Medium Term (2030–2040)	Long Term (2041–2050)
Corporate borrowers in carbon-intensive sectors experience elevated operating expenditure initially to meet early climate compliance standards and carbon tax regulations. Physical risk hazards across branch and collateral assets remain minimal.	Credit quality across the portfolio stabilises as clients progressively adopt low-carbon technologies, supported by client engagement programmes. Slower adopters face persistent compliance costs, but impacts remain sector-specific.	Expected Credit Loss ("ECL") trends and default probabilities plateau as clean technology becomes economically viable. The overall credit profile remains resilient, showing no portfolio-wide deterioration.

SUSTAINABILITY STATEMENT

ii. Scenario 2: Disorderly ("DNZ 2050")

Diverging climate policies across industries resulting in a chaotic but successful transition to phase out fossil fuels.

Short Term (2024–2029)	Medium Term (2030–2040)	Long Term (2041–2050)
Minimal immediate financial shock occurs as policy developments remain consultative or restricted to specific sectors prior to 2030.	Delayed policy enforcement and sudden, uneven carbon price spikes across industries create significant regulatory uncertainty. Corporate clients face difficulties in transition planning and decarbonisation capital allocation, complicating credit risk tracking.	Sharp policy adjustments and high carbon costs strain the earnings of fossil-fuel-dependent and emissions-intensive counterparties. This drives credit rating downgrades and volatile long-term provisioning trends, with non-retail portfolios bearing the largest share of credit stress.

iii. Scenario 3: Hot House World ("NDCs")

Include all pledged targets even if not yet backed up by implemented effective policies. Green technology adoption remains constrained, driven by low carbon pricing.

Short Term (2024–2029)	Medium Term (2030–2040)	Long Term (2041–2050)
Minimal carbon policy intervention results in low transition costs and temporary short-term economic stability, though physical risk exposure steadily accumulates.	Physical hazards gradually intensify, with increasing frequency and severity of riverine flood events impacting business operations, supply chains, and collateral values.	Unabated global warming leads to severe chronic physical hazards, extreme monsoons, and permanent coastal sea-level rise. This drives a substantial jump in overall credit loss provisions, especially for the retail property financing portfolio due to permanent physical damage to real estate collaterals.

Carbon pricing and shifting policy requirements are the primary drivers of climate transition risk. The Bank's assessment indicates that credit impacts vary across portfolio segments: non-retail exposures, particularly in emissions-intensive sectors or those without defined decarbonisation roadmaps, face the highest vulnerability. To evaluate this exposure, the Bank incorporated BNM-prescribed shadow carbon prices and MEVs projected by its global market economist across all climate scenarios. Whilst retail customers are least exposed to climate policy shifts, indirect second-order effects may materialise, such as a rising cost of living or job losses stemming from business and supply chain adjustments.

Physical risks were examined through two distinct pathways: acute extreme flooding and chronic sea level rise. Both present credit implications across retail and non-retail segments alike, especially for assets located in coastal or flood-prone locations. The assessment highlighted a distinction between the two physical hazards: sea level rise, due to its permanent nature and potential to render land and property uninhabitable, may present a more persistent, long-term credit risk than discrete flood events. Consequently, the Bank maintains ongoing portfolio monitoring and integrates climate considerations into its credit risk management practices.

As climate risk continues to evolve, the Bank will conduct scenario analysis on a regular basis, adjusting ECL should future assessments indicate a material impact on the carrying value of financial assets — consistent with both MFRS 9 and IFRS S2.

Significant Areas of Uncertainty

Climate-related events and scenario outputs carry inherent uncertainties given the multi-decade projection horizon through to 2050. Key areas of uncertainty and analytical constraints identified include:

Availability of Climate Data	Limited Model Validation	Flood Map Variances
Significant uncertainty arises from the use of proxy data, driven by a lack of direct climate disclosures from borrowers, especially private companies and SMEs.	*Lack of historical data to support forward-looking climate scenario assumptions, such as carbon prices, green technology deployment, and changing weather patterns.*	*Variations in flood mapping methodologies and resolution introduce uncertainty into physical risk assessments, where actual physical damage may differ from projected risk ratings.*

Capacity to adjust or adapt strategy and business model

The Bank implemented various initiatives as part of its strategy to manage climate actions. These initiatives are overseen periodically by the BRMC and driven operationally by the SC and SWC. This enables the Bank to evaluate and adapt its strategy and business model in response to climate change, including:

Flood Risk Analytics	Portfolio ESG Screening	Coal phase-out commitment	Sustainable Capital:
Deployed geocoding tools and GIS software to identify flood risk exposure across its branch networks and customers' collateral assets.	*Maintained an ESG due diligence process for its non-retail lending portfolio within BCB, aligned with BNM's CCPT framework.*	*Enforced a General Exclusion List which includes provision to cease financing for greenfield coal-fired power plants beginning 1 July 2021, and all coal-fired power plants effective 1 July 2026.*	*Launched a Sustainable Finance Framework ("SFF") to mobilise RM20 billion by FY2029 for eligible ESG-compliant projects.*

Full details of the Group's climate initiatives can be found on page 103 - 108 of this Report.

Processes, controls and policies to manage climate-related risks and opportunities

Sustainability, climate action and Value-Based Intermediation ("VBI") form core components of the Bank's strategic framework, aligned with national regulatory expectations and internationally recognised standards, to create long-term value for stakeholders and the environment together.

That framework tracks the Group's corporate mission and vision, providing structured and clear direction across the ESG spectrum. Five Sustainability Themes provide its structure, supported by digital innovation to facilitate new growth opportunities alongside ongoing ESG efforts.

Various Board and Management policies incorporate sustainability and climate considerations across operational functions, providing the Group a well-defined process for managing these risks and opportunities within its wider risk management framework.

The list of HLB policies with sustainability and climate elements integrated is available in Appendix III of our Sustainability Report 2026.

SUSTAINABILITY STATEMENT

8. METRICS AND TARGETS

8.1 Metrics and Targets (excluding GHG emissions)

As detailed in Section 7.1B, the Bank maintains a metric to monitor and manage its operational exposure to flood risk. The underlying assumptions and parameters supporting this assessment are derived from the Bank's CRST exercise. This internally developed methodology and its corresponding metric will be subjected to independent third-party validation once additional targets and metrics are established.

Metric	Methodology to calculate metric	2022	2025	2026
Number and Percentage of branches vulnerable to flood risk	Number of branch operations affected by floods as at end of reporting period	1 (0.4%)	1 (0.5%)	**1 (0.5%)**

At present, the Bank's direct operational exposure to flood risk remains within 0.5%, indicating that flood risk has no material impact on the Bank's overall operation or financial position.

8.2 Metrics and Targets (GHG emissions)

Enhancing the GHG accounting framework

In FY2026, the Group updated its GHG SOP to enhance data completeness, consistency, and reporting accuracy. This revision incorporated updated grid and vehicle emission factors, alongside methodological frameworks for two additional asset classes.

The Group currently discloses emissions across four Scope 3 categories: Category 6 (Business Travel), Category 7 (Employee Commuting), Category 13 (Downstream Leased Assets), and Category 15 (Investments). A Scope 3 materiality assessment conducted during the financial year identified three additional relevant categories. Accounting methodologies for these new categories are under development, with disclosure targeted for FY2028.

Financed emissions disclosures under Scope 3 Category 15 (Investments) adhere to the Partnership for Carbon Accounting Financials ("PCAF") Standard. Building upon previously established baselines across five asset classes, measurement capabilities were expanded in FY2026 to encompass Sovereign Debt as well as Business Loans & Unlisted Equity. Furthermore, financed emissions calculation models were refined to align with the updated PCAF methodology released in December 2025.

Summary of gross GHG emissions and performance against targets

Scope 1 and Scope 2 (location-based) emissions from Malaysia operations decreased by 31.7% compared to the FY2019 baseline, reflecting a 6.3% year-on-year reduction from FY2025. This performance exceeds the Group's short-term target of 15% to 25% reduction by FY2026. As Malaysia operations represented approximately 97.3% of total operational Scope 1 and Scope 2 emissions in FY2019, these reductions represent a material contribution to the Group's decarbonisation trajectory.

The decline in Scope 2 location-based emissions was primarily driven by EE&C measures supported by the redemption of Renewable Energy Certificates ("RECs") which accounted for a further 22.3% reduction, resulting in a cumulative 54.0% decrease in Scope 1 and Scope 2 (market-based) emissions relative to the FY2019 baseline.

Conversely, Scope 3 emissions associated with employee commuting in Malaysia increased during the reporting period, driven by higher average commuting distances across the workforce.

Across regional operations, Scope 1 and Scope 2 emissions recorded a year-on-year decline of 5.5% compared to FY2025.

For a comprehensive breakdown of operational GHG emissions performance and data methodologies, please refer to Appendix II of our Sustainability Report 2026.

Metrics	Methodology to calculate metric	2019 (Baseline)	2025	2026	Targets		
					Short Term (2026)	Medium Term (by 2030)	Long Term (beyond 2030)
Percentage of reduction of Scope 1 and 2 GHG emissions (%) for the Malaysia operations	Reduction in Scope 1 and 2 operational GHG emissions between the current and the prior reporting period	Baseline for Scope 1, 2 and 3 operational GHG emissions was established in FY2019	AE: 27.1%	AE: 31.7% Net: 54.0%	Have exceeded the 15-25% reduction of Scope 1 and 2 emissions for the Malaysia operations by FY2026	Net Zero Scope 1 and 2 emissions for the Malaysia operations by FY2030	Net Zero Scope 1, 2 and 3 emissions by FY2050

**Absolute Emissions ("AE")*

Summary of GHG Emissions

To monitor, manage, and evaluate progress against its established climate-related targets, the Group applies the following metrics:

Scope of emissions (in tCO_2e)	FY2019 (Baseline)	FY2024	FY2025	FY2026
Total Scope 1 GHG emissions	212	132	124	**115**
Total Scope 2 (location-based) GHG emissions	34,303	27,444	25,336	**23,741**
Total Scope 2 (market-based) GHG emissions	No prior redemptions/offsets			**16,252**
Scope 3 GHG emissions (excluding financed emissions)				
- Category 6: Business travel	1,413	1,738	1,937	**2,110**
- Category 7: Employee commuting	10,781	11,196	10,123	**10,311**
- Category 13: Downstream leased assets	474	737	783	**750**
Total Scope 3 GHG emissions (excluding financed emissions)	12,668	13,671	12,843	**13,171**

Notes:
- *Data has been independently assured. Please refer to the independent limited assurance report in our Sustainability Report 2026.*
- *Scope 2 market-based emissions incorporate Renewable Energy Certificates ("RECs") covering all operational sites in Malaysia (Peninsular Malaysia, Sabah and Sarawak) by using a weighted average grid emission factor.*
- *Scope 1 and 2 emissions of other investees are Nil because the Group has no operational control over them. In accordance with the Group's organisational boundary approach, these emissions are instead captured under Scope 3 (Category 15 – Investments) on a best-effort basis.*
- *The GHGs emitted by the Group are Carbon Dioxide (CO_2), Methane (CH_4), Nitrous Oxide (N_2O) and Hydrofluorocarbons (HFCs) which are converted to CO_2 equivalent according to the terms set in 2021 IPCC Sixth Assessment Report.*

Contractual Instruments

In FY2024, the Group procured a two-year supply of Bursa Carbon Exchange Renewable Energy Certificates ("BCX RECs") to support its short-term target of reducing operational Scope 1 and Scope 2 emissions by 15% to 25% by FY2026.

In line with this strategy, 10,600 MWh of RECs were redeemed during the financial year to mitigate Scope 2 emissions. To maintain strategic inventory reserves, an additional 10,000 MWh of RECs were subsequently purchased. These initiatives directly align with the Group's broader strategy of reaching Net Zero for Scope 1 and 2 GHG emissions across Malaysia operations, and Net Zero by 2050.

SUSTAINABILITY STATEMENT

Summary of Financed Emissions

Measuring the emissions embedded in what the Bank finances has been a gradual build. It began in FY2024, when the Bank first calculated estimated financed emissions for two on-balance sheet portfolios — Motor Vehicle Loans and Residential Mortgages — and set that year as its baseline. FY2025 brought three further asset classes into scope, and FY2026 added two more, bringing the Bank to full coverage of the initial seven PCAF asset classes. Each addition has sharpened the accuracy and transparency of what the Bank is able to disclose, giving it a sturdier picture of where its lending intersects with emissions. In scope, outstanding loans and/or financing and investments constitute 88.6% and 71.7% respectively of total gross loans, advances and financing and total assets as at 30 June 2024, 89.1% and 70.9% respectively for 30 June 2025 and 88.5% and 71.7% respectively for 30 June 2026. Meanwhile, Scope 2 and 3 emissions for Sovereign Debt, emission removals, avoided and facilitated emissions are not reported due to limited data availability and quality.

A detailed breakdown of the Bank's financed emissions is presented in the table below:

PCAF Asset Classes	Total Outstanding Loan and Investments Covered (RM mil)	Scope 1 + Scope 2 Financed Emissions (tCO_2eq)	Scope 3 Financed Emissions (tCO_2eq)	Scope 1 + Scope 2 Financed Emissions Intensity (tCO_2eq/ RM mil)	Weighted Data Quality Score
FY2024 (Baseline)					
Residential Mortgages	92,253	731,450		7.9	5.0
Motor Vehicle Loans	18,669	596,180		31.9	3.4
Listed Equity & Corporate Bonds (Restated)*	11,524*	2,811*	11,596	0.2	2.2
Commercial Real Estate	8,437	338,731		40.1	4.0
Sovereign Debt					
Excluding LULUCF	29,138	1,558,851		53.5	2.0
Including LULUCF		558,399		19.2	
Business Loans & Unlisted Equity	53,441	3,646,167	4,623,820	68.2	4.4
Total					
Excluding LULUCF	213,462	6,874,190	4,635,416	32.2	
Including LULUCF		5,873,738		27.5	

SUSTAINABILITY STATEMENT

PCAF Asset Classes	Total Outstanding Loan and Investments Covered (RM mil)	Scope 1 + Scope 2 Financed Emissions (tCO_2eq)	Scope 3 Financed Emissions (tCO_2eq)	Scope 1 + Scope 2 Financed Emissions Intensity (tCO_2eq/ RM mil)	Weighted Data Quality Score
FY2025					
Residential Mortgages	98,210	809,148		8.2	5.0
Motor Vehicle Loans	20,514	630,761		30.7	3.3
Listed Equity & Corporate Bonds (Restated)*	11,213*	2,053*	10,464	0.2	2.2
Commercial Real Estate	8,777	334,966		38.2	4.0
Sovereign Debt					
Excluding LULUCF	24,702	1,484,035		60.1	2.0
Including LULUCF		530,580		21.5	
Business Loans & Unlisted Equity	59,714	5,001,397	6,636,702	83.8	4.0
Total					
Excluding LULUCF	223,130	8,262,360	6,647,166	37.0	
Including LULUCF		7,308,905		32.8	
FY2026					
Residential Mortgages	104,787	795,287		7.6	5.0
Motor Vehicle Loans	21,943	660,853		30.1	3.3
Listed Equity & Corporate Bonds	14,512	22,766	56,900	1.6	2.7
Commercial Real Estate	9,603	326,528		34.0	4.0
Sovereign Debt					
Excluding LULUCF	20,901	1,114,581		53.3	2.0
Including LULUCF		398,689		19.1	
Business Loans & Unlisted Equity	63,844	4,517,524	7,115,406	70.8	4.0
Total					
Excluding LULUCF	235,590	7,437,539	7,172,306	31.6	
Including LULUCF		6,721,647		28.5	

Notes:

- *Data has been independently assured. Please refer to the independent limited assurance report in our Sustainability Report 2026.*
- *Estimated financed emissions disclosed are as at 30 June 2024 as the baseline, as at 30 June 2025 and as at 30 June 2026.*
- *Emissions and outstanding balances are derived from on-balance sheet investments, loans and/or financing in Malaysia. Operational markets for financed emissions are largely limited to Malaysia at this juncture, unless otherwise stated, given the materiality of operations to the Group.*
- *Sovereign Debt and Listed Equity & Corporate Bonds comprise of Malaysian and regional investments.*
- *Sovereign Debt financed emissions and emission intensity are limited to Scope 1.*
- *The Project Finance asset class is not applicable due to the exclusion of Available-for-Sale and Held-for-Trading assets. Previously this asset class comprised of bonds that were deemed to be of a Project Finance nature. Consequently, previously reported Scope 1 and 2 emissions of 30.6 $ktCO_2e$ (FY2024) and 8.7 $ktCO_2e$ (FY2025), along with outstanding balances of RM0.4 billion (FY2024) and RM0.1 billion (FY2025), have been removed.*
- *The methodologies and data applied are subject to ongoing improvements in industry guidance, market practices and regulation and may be revised as new information becomes available.*

* *The FY2024 and FY2025 figures for Listed Equity and Corporate Bonds were restated following updates to the PCAF standard, database, and the exclusion of Available-for-Sale and Held-for-Trading assets. This reduced reported Scope 1 and 2 emissions for the asset class by 159.2 $ktCO_2e$ from 162.0 $ktCO_2e$ to 2.8 $ktCO_2e$ in FY2024 and by 144.4 $ktCO_2e$ from 146.5 $ktCO_2e$ to 2.1 $ktCO_2e$ in FY2025. Outstanding exposure reduced by RM5.8 billion from RM17.3 billion to RM11.5 billion (FY2024) and by RM5.8 billion from RM17.0 billion to RM11.2 billion (FY2025).*

SUSTAINABILITY STATEMENT

An analysis of the overall Scope 1 and 2 emission intensity change is as follows:

	FY2026 vs FY2024 Baseline Intensity Change	FY2026 vs FY2025 Intensity Change
Overall Emissions Intensity (Excluding LULUCF)	**-2.0%**	**-14.7%**

Overall emissions intensity exhibited an encouraging decline, although movement varied across the asset classes due to portfolio adjustments, increased client disclosures and enhancements in methodology.

The quantification of financed emissions is subject to broader industry challenges regarding data availability, specifically the limited accessibility of verified customer primary data and localised emission proxies. In accordance with the provisions of the PCAF Standard, which explicitly recognises these data constraints within the financial sector, the Bank applies a structured estimation methodology using the best information available as at the reporting date.

Where primary customer-level carbon data cannot be obtained, the Bank utilises appropriate local and regional proxies alongside approved PCAF estimation techniques. This approach ensures a consistent, reasonable, and supportable basis for measuring absolute financed emissions while maintaining alignment with global reporting standards.

GHG Methodology and Inputs

We calculate our operational Scope 1, 2, and 3 GHG emissions in accordance with the GHG Protocol. As direct measurement is generally not feasible, emissions are estimated by applying relevant emission factors and 100-year Global Warming Potential ("GWP") values to operational activity data, such as fuel consumption and electricity usage, to express results in tonnes of CO_2 equivalent ("tCO_2e").

For detailed methodologies, inputs and assumptions, please refer to Appendix II of our Sustainability Report 2026.

Global Warming Potential ("GWP") Values

Gas Type	100-Year GWP
Carbon Dioxide (CO_2)	**1**
Methane (CH_4)	**28**
Nitrous Oxide (N_2O)	**273**
Hydrofluorocarbon (HFC) - R410	**2,088**

We measure our financed emissions using Part A of the PCAF Global GHG Accounting and Reporting Standard for Financed Emissions (3rd Edition, Dec 2025). The method itself attributes a defined share of a counterparty's greenhouse gas emissions to the Bank, calculated according to methodologies specific to each asset class. The Bank has applied the standard equation set out by the Partnership for Carbon Accounting Financials ("PCAF") throughout, detailed below:

$$\text{Financed emissions} = \sum_{c} \text{Attribution factor}_c \times \text{Company emissions}_c$$

where c = borrower or investee company

For detailed methodologies, inputs, and assumptions, please refer to Appendix II of our Sustainability Report 2026.

9. CLIMATE-RELATED OPPORTUNITIES

9.1 Overall Decarbonisation Target and Climate Transition Plan

The Group manages the environmental impact of its direct operations through our Management Policy on Environment (Energy, Water and Waste Management). This policy establishes operational guidelines aligned with relevant Malaysian regulations.

Construction, renovation, and facility upgrade projects adhere to the Green Building Index ("GBI") standards in accordance with *MS 1525:2019 — Energy Efficiency and Use of Renewable Energy for Non-Residential Buildings*. These standards govern performance across six key dimensions: energy efficiency, indoor environmental quality, sustainable site planning and management, sustainable materials and resources, water efficiency, and design innovation. Electrical appliance procurement policies further mandate the selection of equipment certified under the Minimum Energy Performance Standard ("MEPS").

Operational waste management is governed by the 3R Framework (Reduce, Reuse, Recycle):

Reduce

Minimising consumption of single-use supplies where possible, including disposable catering items and non-rechargeable batteries.

Reuse

Extending the operational lifecycles of office assets, including furniture, computing hardware, and peripherals.

Recycle

Supporting structured waste separation and recycling initiatives.

Water conservation measures are integrated into the Group's sustainable procurement efforts, prioritising products rated under the Water Efficient Product Labelling Scheme ("WEPLS") to evaluate and mitigate full-lifecycle environmental impacts across supply chains.

Charting a Path to Net Zero, Sector by Sector

Following the finalisation of the financed emissions baseline for the Business Loans & Unlisted Equity asset class, the Group is developing sector-specific decarbonisation pathways for high-emitting portfolios, with targeted completion by FY2028.

While the Group has not formally implemented an Internal Carbon Pricing ("ICP") mechanism, our management is monitoring Malaysia's evolving regulatory landscape and actively refining a robust ICP methodology to inform future operational and investment decisions. The Group currently holds no voluntary carbon credits; decarbonisation efforts are primarily achieved through RECs and high-integrity nature-based solutions, including our ongoing mangrove rehabilitation initiatives.

SUSTAINABILITY STATEMENT

The Wider Push Towards Net Zero

As a member of the Association of Banks in Malaysia ("ABM"), the Group supports the collective transition toward a net-zero economy grounded in the principles of a just transition. Recognising the financial sector's role as an economic enabler, the Group's climate strategy aligns with Malaysia's Nationally Determined Contributions ("NDCs") under the United Nations Framework Convention on Climate Change ("UNFCCC").

This alignment is operationalised through the adoption of the 7 ABM ESG Principles, integrated across core business operations:

- We commit to promoting Carbon Net Zero across our entire business and financed customer portfolio.
- We commit to incorporating ESG into our governance and risk management approach.
- We commit to mitigating risks of modern slavery and upholding human rights across our value chain.
- We commit to encouraging sustainable practices within the high impact sectors for ESG.
- We commit to promoting social & financial inclusion to ensure a sustainable future.
- We commit to promoting transparency by making periodic disclosures on our ESG practices and progress.
- We undertake to progressively integrate biodiversity and nature-related considerations into our financing decisions.

These principles reinforce the Group's commitment to environmental protection, community resilience, and long-term economic growth in Malaysia. In alignment with national commitments to achieve net-zero GHG emissions by 2050, the Group established its FY2050 Net Zero target in FY2022, supported by structured interim targets to ensure strategic accountability.

Net Zero Targets

Short term* (FY2026)	Medium term* (FY2030)	Long term (FY2050)
15% to 25% reduction in absolute Scope 1 and Scope 2 operational emissions from baseline, for Malaysia operations.	Net Zero absolute operational emissions (Scope 1 and 2) from baseline, for Malaysia operations.	Net Zero absolute emissions across Scope 1, 2 and 3 from baseline, for Malaysia and regional operations.

Baseline year: FY2019.
**GHG emissions covered represent more than 90.0% of total Scope 1 and 2 emissions across operations.*

These targets are informed by the Paris Agreement, broader financial sector benchmarks, and national policy frameworks—specifically Malaysia's National Energy Transition Roadmap ("NETR") and the National Climate Change Policy 2.0 ("NCCP 2.0").

During the reporting period, these climate targets remained unchanged and have not yet undergone independent third-party validation. While a formalised sectoral decarbonisation methodology for the lending portfolio is currently under development, the Group maintains a clear strategic trajectory toward aligning its portfolio management practices with evolving industry standards.

Demonstrating a commitment that goes well beyond standard disclosure requirements, we proactively and explicitly support Malaysia's NCCP 2.0 by mapping our corporate initiatives directly to the policy's strategic thrusts and key actions. Our specific alignments are detailed below:

Alignment with NCCP 2.0
The Bank supports NCCP 2.0 commitment to transition to a low-carbon economy and enhancing climate resilience in line with national sustainable development agenda and international climate commitments.

Aligned NCCP Strategic Thrust	**Strategic Thrust 2** To achieve low carbon development that aligns with national sustainable development agenda and international climate change	**Strategic Thrust 4** Scale up blended financing and enable a sustainable market to increase involvement of private sectors for a green economy
Key Actions Outlined in NCCP	**ST2S1KA3** Enhance efforts to increase renewable energy ("RE") capacity and percentage of generated electricity from renewable energy to meet relevant national targets	**ST2S1KA2** Mobilise innovative financing instruments to facilitate financial flow to meet climate action needs
	ST2S1KA4 Reduce dependency on coal power plants to meet targets based on the National Energy Transition Roadmap	**ST2S1KA3** Enhance capacities of financial institution to evaluate and approve climate-related project proposals
	ST2S1KA11 Enhance measures to increase energy efficiency to achieve the targets of National Energy Efficiency Action Plan and National Energy Transition Roadmap	**ST2S1KA5** Strengthen market enabling instruments such as promoting green procurement and fiscal incentives

SUSTAINABILITY STATEMENT

The Bank's Strategic Alignment Initiatives	• **Sustainable Financing:** Mobilise RM20 billion for sustainable financing projects including RE initiatives and green property development amongst others. • **Green Bond Allocation:** Green Bond Framework supports Renewable Energy projects such as Large Scale Solar Photovoltaic ("LSSPV") projects. • **Solar Integration:** Accelerated decarbonisation efforts by installing solar panels across our branch network. • **Coal Phase-Out:** Expanded our climate commitments by transitioning from a 2021 ban on new greenfield coal-fired power plants to a complete cessation of all financing and investments for coal-fired power generation, effective 1 July 2026. • **Operational Efficiency:** Enhancing operational energy efficiency by upgrading and optimising branch cooling systems.	• **Capital Deployment:** Mobilise RM20 billion into approved sustainable financing initiatives and projects. • **Green Bond Utilisation:** Capital raised under the Green Bond Framework supports Renewable Energy projects such as LSSPV, clean transportation, green buildings (gold and above). • **Environmental Risk Screening:** Applied the Climate Change and Principle-based Taxonomy ("CCPT") Implementation Guide ("IG") Due Diligence Questionnaire ("DDQ") to evaluate environmental risks across our entire customer base. • **Supply Chain Governance:** Mandated comprehensive ESG due diligence during onboarding for new suppliers, as well as for all existing Tier 1, Tier 2, and Tier 3 vendors. • **Sustainable Procurement:** Pledged to roll out a sustainable procurement programme under our Management Policy on Environment (Energy, Water and Waste Management), assessing the ecological lifecycle of purchased goods and services while prioritising eco-friendly materials.

Decarbonisation principles are increasingly embedded within the Group's daily operations, driven by targeted employee upskilling initiatives, continuous awareness programmes, and workforce engagement in advancing the Group's Net Zero objectives.

To mitigate transition risks, we embed climate initiatives into strategic planning and decision-making across our direct operations and downstream activities. Guided by the Net Zero Transition Plan, we have outlined a roadmap for decarbonisation that incorporates just transition principles. We avoid reliance on carbon credits to achieve our goals, and instead prioritise real-economy emissions reductions by directing capital toward sustainable financing, actively engaging clients, and adopting low-carbon alternatives.

The Net Zero Transition Plan undergoes review periodically, or earlier followed by material events such as revised target-setting methodologies or modified organisational boundaries. All reduction targets apply to the seven greenhouse gases defined under the Kyoto Protocol.

We fund and execute these initiatives using our internal cash flow and existing operational resources.

SUSTAINABILITY STATEMENT

Goal

To achieve Net Zero emissions by 2050

Strategic Priorities

Decarbonising our operations	Supporting our customers' transitions

Targets

Achieve Net Zero Scope 1 and 2 emissions for Malaysia operations by FY2030	Achieve Net Zero Scope 1, 2 and 3 emissions by 2050	Mobilise RM20 billion in Sustainable Financing by FY2029

Actions

• Improve energy efficiency in our operations • Increase the share of renewable electricity in our operations • Procure and redeem Renewable Energy Certificates to offset our Scope 2 emissions	• Nature-based solutions via mangrove rehabilitation project to offset our emissions • Manage and reduce operational Scope 3 GHG emissions • Integrate climate-related risks and transition considerations into credit assessment and risk management processes • Develop decarbonisation pathways for high-emitting sectors • Support customers in developing and implementing transition and decarbonisation strategies	• Developed the Sustainable Finance Framework • Expand sustainable finance and solutions • Develop products and services that enable customers' transition

Public Policy Engagement

The Group actively engages in and supports climate-related public policy, legislative initiatives, and regulatory frameworks. This advocacy encompasses key decarbonisation mechanisms, including carbon pricing structures, emissions trading systems, Net Zero implementation frameworks, renewable energy legislation, and standardised energy efficiency and GHG emissions standards.

Beyond policy support, the Group contributes directly to the regulatory development process through active participation in industry working groups, task forces, and policy consultations shaping Malaysia's climate and sustainability governance landscape.

SUSTAINABILITY STATEMENT

One key initiative is the National Sustainability Reporting Framework ("NSRF") Financial Institutions ("FI") Guidance Document Taskforce, established under the Joint Committee on Climate Change ("JC3"). The Taskforce provides practical guidance on structuring sustainability reports to align with the International Sustainability Standards Board's ("ISSB") IFRS Sustainability Disclosure Standards. The Bank actively supported this initiative through technical input, taskforce representation, and financial contributions.

9.2 Sustainable Finance

As a responsible financial institution, the Group aligns with national policies and regulations to mitigate climate impacts, enabling us to build operational resilience and effectively manage transitional risks. Recognising the commercial opportunities arising from these new regulations, we aim to proactively broaden access to sustainable finance. To support this objective, we have launched key strategic initiatives aligned with national frameworks—particularly the NCCP 2.0—positioning sustainable finance as a core strategy to harmoniously balance our climate commitments with commercial goals during the low-carbon transition.

In October 2024, we launched the Sustainable Finance Framework ("SFF") to reduce financed emissions through targeted sustainable financing. The Bank aims to mobilise RM20.0 billion by FY2029 to expand its sustainable financing portfolio. During FY2026, we successfully mobilised RM5.3 billion, bringing total cumulative sustainable financing achieved to RM10.0 billion.

For further breakdown and details, please refer to our Sustainability Report 2026 at pages 43 - 46.

Metric	Methodology to calculate metric	FY2024	FY2025	FY2026	Long Term Target (FY2029)
Total Green, Affordable and Green, and Affordable Property Financing	Disbursed and committed amounts financed to customers according to Sustainable Finance Framework criteria	Disclosure starts in FY2025	RM3.3 bil (restated)*	RM3.1 bil	RM20 bil
Total Green Vehicle Financing			RM0.9 bil	RM1.5 bil	
Total BCB Sustainable Financing			RM0.5 bil	RM0.7 bil	
Total Green, Affordable and Green, and Affordable Property Financing	Outstanding balance of loans and financing	RM15.4 bil (restated)*	RM17.7 bil (restated)*	RM19.8 bil	-
Total Green Vehicle Financing		RM1.2 bil	RM1.8 bil	RM2.7 bil	-
Total BCB Sustainable Financing		Disclosure starts in FY2025	RM0.1 bil	RM0.5 bil	-
Green Bond	Outstanding balance from proceeds allocated towards criteria of the Green Bond Framework	RM2.6 bil (restated)^	RM3.5 bil (restated)^	RM5.0 bil	-

Note:
- *The data points for Disbursed and committed amounts, Outstanding balances for the SFF and Green Bond are for the Malaysia operations only.*
- *BCB Sustainable Financing outstanding balances represent financing that has been disbursed since FY2025 only.*

* *The FY2024 and FY2025 figures for Green, Affordable, and Green & Affordable Property Financing were restated to include material omitted eligible sustainable assets. This resulted in the increase in SFF mobilised financing of RM0.2 billion from RM3.1 billion to RM3.3 billion in FY2025 and the increase in outstanding financing of RM0.8 billion from RM14.6 billion to RM15.4 billion for FY2024 and of RM0.7 billion from RM17.0 billion to RM17.7 billion for FY2025.*

^ *The FY2024 and FY2025 figures for Green Buildings were restated to include material omitted eligible green assets. This resulted in the increase in total outstanding financing of RM0.1 billion from RM2.5 billion to RM2.6 billion in FY2024 and of RM0.6 billion from RM2.9 billion to RM3.5 billion in FY2025.*

For more details, please refer to our Sustainable Finance Framework and Green Bond Framework.

10. EVENTS AFTER THE REPORTING PERIOD

There were no material transactions, events, or conditions occurring between the end of the reporting period and the date of authorisation of this report that require adjustment to, or disclosure within, this Sustainability Statement.

The Group's Management confirms that no subsequent events have transpired that would materially impact the sustainability-related disclosures presented for the financial year ended 30 June 2026.

CORPORATE INFORMATION

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WEBSITE

www.hlb.com.my

BOARD OF DIRECTORS' PROFILE

TAN SRI QUEK LENG CHAN

Chairman / Non-Executive / Non-Independent

Malaysian | 83 | Male

YBhg Tan Sri Quek Leng Chan is qualified as a Barrister-at-Law from Middle Temple, United Kingdom. He has extensive business experience in various business sectors, including financial services, manufacturing and real estate.

YBhg Tan Sri Quek is the Chairman of Hong Leong Bank Berhad ("HLB") and was appointed to the Board of Directors ("Board") of HLB on 3 January 1994. He is the Chairman of the Credit Supervisory Committee ("CSC") of HLB.

He is the Chairman & Chief Executive Officer of Hong Leong Company (Malaysia) Berhad ("HLCM"), a public company; Chairman of Hong Leong Financial Group Berhad ("HLFG"), a company listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"); and Chairman of Hong Leong Assurance Berhad ("HLA") and Asia OneHealthcare Berhad, both public companies. He is also the Chairman of the Council of Members of Hong Leong Bank Vietnam Limited ("HLBVN").

TAN KONG KHOON

Executive Director / Non-Independent

Singaporean | 69 | Male

Mr Tan Kong Khoon holds a Bachelor of Business Administration degree from Bishop's University, Canada and is an alumnus of the Harvard Business School Advanced Management Program. He is a Chartered Banker of the Asian Institute of Chartered Bankers ("AICB").

Mr Tan is the President & Chief Executive Officer of HLFG. He was the Group Managing Director/Chief Executive Officer of HLB from 1 July 2013 to 4 February 2016. Prior to joining HLB, Mr Tan was the Group Executive, Consumer Banking Group of DBS Bank Ltd ("DBS") from 1 December 2010 to 15 April 2013 where he led and managed strategy formulation and execution for consumer banking globally across the DBS Group.

Mr Tan began his banking career with DBS in 1981. Since then, he has successfully built consumer banking franchises across multiple markets in Asia for Citibank, Standard Chartered Bank and ANZ Bank.

From March 2007 to December 2009, Mr Tan was the President and Chief Executive Officer of Bank of Ayudhya, the fifth largest financial group in Thailand listed on the Thailand Stock Exchange. The group businesses included commercial and investment banking, life and non-life insurance, stockbroking, asset management and consumer finance subsidiaries.

Mr Tan was appointed to the Board of HLB on 1 July 2013 and is a member of the CSC, and Executive Committee of HLB.

Mr Tan is the Chairman of Hong Leong Capital Berhad and a Director of HLFG, both companies listed on the Main Market of Bursa Securities; and a Director of HLA and Hong Leong Investment Bank Berhad ("HLIB"), both public companies. He is also the Chairman of Hong Leong Bank (Cambodia) PLC and a member of the Board of Controllers of HLBVN.

BOARD OF DIRECTORS' PROFILE

KWEK LENG HAI

Non-Executive Director / Non-Independent

Singaporean | **73** | **Male**

Mr Kwek Leng Hai is qualified as a Chartered Accountant of the Institute of Chartered Accountants in England and Wales ("ICAEW"). He has extensive experience in various business sectors, including but not limited to finance, investment, manufacturing and real estate.

Mr Kwek was appointed to the Board of HLB on 3 January 1994. He is also a director of HLCM, a public company in Malaysia and the ultimate holding company of HLB.

Mr Kwek is the Executive Chairman of Guoco Group Limited ("GGL"). He was appointed as a Director of GGL in 1990 and assumed the position of President, Chief Executive Officer from 1995 to 1 September 2016. He is also the Chairman of Lam Soon (Hong Kong) Limited ("LSHK"). Both GGL and LSHK are listed on The Stock Exchange of Hong Kong Limited. He is a non-executive director of GuocoLand Limited (GGL's subsidiary listed on Singapore Exchange Securities Trading Limited). He is also a non-executive director of Bank of Chengdu Co., Ltd., an associate company of HLB and listed on The Shanghai Stock Exchange.

LAU SOUK HUAN

Non-Executive Director / Independent

Malaysian | **62** | **Female**

Ms Lau Souk Huan holds a Bachelor Degree in Accounting (Honours) from the University of Malaya and she is a Certified Public Accountant from the Malaysian Institute of Certified Public Accountants ("MICPA"). Ms Lau is also a member of the Malaysian Institute of Accountants ("MIA").

Ms Lau has more than 30 years of experience in accounting garnered from the accounting profession, a global international financial institution and an accounting standard setter. As a former bank Chief Financial Officer, Ms Lau has in-depth knowledge of the banking industry, its operations, drivers and challenges, risk management, critical areas of corporate governance and controls. Ms Lau was a Project Director with the Malaysian Accounting Standards Board, an independent authority which develops and sets accounting standards in Malaysia.

Ms Lau was appointed to the Board of HLB on 6 September 2019 and is the Chairman of Board Audit Committee ("BAC") of HLB. She is also a member of the Board Risk Management Committee ("BRMC") and Nomination and Remuneration Committee ("NRC") of HLB, as well as Board Information and Technology Committee ("BITC") of HLB and Hong Leong Islamic Bank Berhad ("HLB Islamic").

BOARD OF DIRECTORS' PROFILE

CHEONG SOO CHING

Non-Executive Director / Independent

Malaysian | 66 | Female

Ms Cheong Soo Ching is a Certified Public Accountant of MICPA, a Certified Information System Auditor of the Information Systems Audit and Control Association (ISACA) and a member of the MIA. Ms Cheong is also a fellow member of the Life Management Institute (LOMA).

Ms Cheong has more than 35 years of experience in governance, risk management, compliance and auditing work. She began her career with Ernst and Young ("EY") in 1980. She was seconded to the London office of EY for 2 years where she was trained in information system auditing. She continued her career in information system auditing in Malayan Banking Berhad for 2 years and 2 government agencies in Australia for 5 years.

Ms Cheong joined Great Eastern Life Assurance Malaysia Berhad ("GE") upon returning to Malaysia from Australia in 1996. During her tenure in GE, she has served in key positions in internal audit, strategic planning, special projects and risk management function. The last position she held was Chief Risk Officer where she was responsible for governance, risk management, compliance, Business Continuity Management, Anti-Money Laundering and market conduct. She retired from GE in January 2020.

Ms Cheong was appointed to the Board of HLB on 18 May 2022 and is a member of the BAC and BRMC of HLB.

DATUK MANHARLAL A/L RATILAL

Non-Executive Director / Independent

Malaysian | 67 | Male

YBhg Datuk Manharlal a/l Ratilal holds a Master in Business Administration from the University of Aston in Birmingham, United Kingdom in 1984 and a Bachelor of Arts (Honours) degree in Accountancy from the City of Birmingham Polytechnic (now known as Birmingham City University, United Kingdom) in 1982. YBhg Datuk Manharlal is a Fellow of the AICB.

YBhg Datuk Manharlal was the Executive Vice President & Group Chief Financial Officer of Petroliam Nasional Berhad ("PETRONAS"), a member of the Board and Executive Leadership Team of PETRONAS and sat on the Board of several subsidiaries of PETRONAS until his retirement in 2018. Prior to joining PETRONAS in 2003, he was attached with a local merchant bank for 18 years, concentrating in corporate finance where he was involved in advisory work in mergers and acquisitions, and the capital markets.

YBhg Datuk Manharlal was appointed to the Board of HLB on 15 September 2023. He is the Chairman of the NRC and BRMC of HLB. He is also a member of the BAC of HLB.

YBhg Datuk Manharlal is an Independent Non-Executive Director of Genting Berhad and Deleum Berhad, both companies listed on the Main Market of Bursa Securities. He is also the Chairman of HLIB, a public company.

BOARD OF DIRECTORS' PROFILE

ALAN HAMZAH SENDUT

Non-Executive Director / Independent

Malaysian | **66** | **Male**

Encik Alan Hamzah Sendut holds a Bachelor of Science (Hons) degree in Accountancy and Computer Science from the University of Wales, United Kingdom. He is a Chartered Accountant of the ICAEW. He is a member of the MIA, a Chartered Audit Committee member of the Institute of Internal Auditors Malaysia (IIAM) and a Fellow Member of the Institute of Corporate Directors Malaysia ("ICDM"). He is also a Qualified Risk Director of the Institute of Enterprise Risk Practitioners.

Encik Alan Hamzah Sendut began his career in 1982 as an auditor with Price Waterhouse, London, United Kingdom. He returned to Malaysia in 1986 where he served with several multinational companies such as the Shell Malaysia Group and Carnauld MetalBox Malaysia.

Encik Alan Hamzah Sendut joined the Sime Darby Group in 1996 as Group Finance Director of Tractors Malaysia Holdings Berhad, a company listed on the Main Market of Bursa Securities. He had also served in many senior roles within the Sime Darby Group such as Group Finance Director for Sime Plantations, Project Director for the Northern Corridor Project and Senior Vice-President for Sime Darby Shared Services during his over 19 years of tenure with the Sime Darby Group.

From 2009 to 2010, Encik Alan Hamzah Sendut joined BHP Billiton as Global Head of Payment Shared Services. He then returned to the Sime Darby Group as the Executive Vice President for Strategy, Business Development and Investor Relations. He oversaw the origination, development and execution of strategic initiatives including improving governance, mitigating risk, seeking out new growth and profit opportunities, resolving legacy issues and dealing with investor relations. He became the Managing Director of Sime Darby Energy and Utilities Division (Non China) from April 2015 to June 2016.

Encik Alan Hamzah Sendut was appointed to the Board of HLB on 28 October 2025 and is a member of NRC of HLB.

Encik Alan Hamzah Sendut is currently a Director of Tenaga Nasional Berhad and Velesto Energy Berhad respectively, both companies are listed on the Main Market of Bursa Securities. He is also a member of the Board of Trustees for Khyra Legacy Berhad and Cancer Research Malaysia.

MARZIDA BINTI MOHD NOOR

Non-Executive Director / Independent

Malaysian | **62** | **Female**

Puan Marzida binti Mohd Noor holds a Master of Science in Management Information Systems from the United States International University, San Diego, California, USA, and a Bachelor of Science in Business from Indiana University, Bloomington, Indiana, USA. She is a member of the ICDM, LeadWomen and FIDE Forum.

Puan Marzida has extensive experience in leading information technology ("IT") business change and transformation, IT management and operations, programme management, outsourcing, and management consulting. She began her professional career with a merchant bank and subsequently served as an IT Management Consultant with KPMG Peat Marwick, Malaysia (now known as KPMG Malaysia). She joined Malaysia Airlines in 1992 and held various leadership and management roles, including in the Corporate Planning Division, the Chairman's Office, and subsequently as the Chief Information Officer ("CIO") in 2001. During her tenure as CIO, Puan Marzida served as a Board Member of Societe Internationale de Télécommunications Aéronautiques (SITA), representing Malaysia Airlines from 2001 to 2007, and was a member of the Gartner CIO Roundtable.

In 2007, Puan Marzida joined Shell Malaysia as Head of IT Strategy and Planning, and was subsequently appointed as Head of Programme Delivery for the global SAP Human Resources System.

Puan Marzida was appointed to the Board of HLB on 6 April 2026 and is the Chairman of the BITC of HLB and HLB Islamic.

Notes:

1. **Family Relationship with Director and/or Major Shareholder**

   YBhg Tan Sri Quek Leng Chan and Mr Kwek Leng Hai are brothers. Save as disclosed herein, none of the Directors has any family relationship with any other Director and/or major shareholder of HLB.

2. **Conflict of Interest**

   None of the Directors has any conflict of interest with HLB.

3. **Conviction of Offences**

   None of the Directors has been convicted of any offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2026.

4. **Attendance of Directors**

   Details of Board meeting attendance of each Director are disclosed in the Statement on Corporate Governance Overview, Risk Management and Internal Control in the Annual Report.

KEY SENIOR MANAGEMENT OF THE GROUP

KEVIN LAM SAI YOKE

Group Managing Director / Chief Executive Officer

Singaporean | 57 | Male

Mr Kevin Lam Sai Yoke holds a Bachelor's Degree on the Dean's List in Business Administration from the National University of Singapore and is an alumnus of the Asian Financial Leadership Program. He is also a Chartered Banker of the Asian Institute of Chartered Bankers ("AICB").

Mr Kevin Lam was appointed as the Group Managing Director and Chief Executive Officer of Hong Leong Bank Berhad ("HLB") on 1 July 2023. He is a Council Member of The Association of Banks in Malaysia (ABM), AICB, and the Visa Asia Pacific Senior Client Council.

Mr Kevin Lam possesses over 30 years of experience in the financial industry, having assumed various key senior leadership roles covering 5 key markets in Southeast Asia namely Thailand, Vietnam, Singapore, Indonesia and Malaysia. He has a broad range of experiences in strategic planning, business management, marketing, product development, sales and distribution, banking infrastructure development, digital and technology innovation. He has been instrumental in leading financial institutions with cross-functional and cross-cultural backgrounds to build long-term franchises.

Prior to joining HLB, Mr Kevin Lam served as the Head of TMRW Group Digital Banking of United Overseas Bank Limited ("UOB"), for its key regional markets based in Singapore. He has a decade-long experience in various ASEAN markets including in Jakarta, where he was the President Director of PT Bank UOB Indonesia, and in Kuala Lumpur where he headed Personal Financial Services at UOB Malaysia and later served as its Deputy Chief Executive Officer where he oversaw its Wholesale Banking business and Technology and Operations. He also headed the consumer banking loans, sales and distribution in Singapore with UOB, after spending time with various international banks and technology firms based in Singapore, Hong Kong and the USA.

Mr Kevin Lam is a director of Hong Leong Islamic Bank Berhad ("HLB Islamic") and Hong Leong Bank (Cambodia) PLC ("HLBCAM"), as well as a Council Member of Hong Leong Bank Vietnam Limited ("HLBVN"). He is a member of both the HLB Credit Supervisory Committee and Executive Committee.

MALKIT SINGH MAAN

Chief Financial Officer

Malaysian | 60 | Male

Mr Malkit Singh Maan is a Chartered Accountant with the Malaysian Institute of Accountants and a fellow member of CPA Australia. He graduated with a Bachelor of Business in Accounting from Curtin University of Technology, Perth and a Master of Business Administration from Victoria University, Melbourne.

Mr Malkit joined HLB on 22 July 2019 as Chief Financial Officer ("CFO") with over 35 years of banking and finance experience. He is primarily responsible for the financial management of HLB.

Prior to joining HLB, he was with BIMB Holdings Berhad as the Group CFO. Mr Malkit had also previously served as the CFO of Bank Islam Berhad, CFO of ABN AMRO Bank Berhad and Vice President-Finance at RHB Bank Berhad.

Mr Malkit is a director of HLF Credit (Perak) Bhd and Promilia Berhad, both wholly-owned subsidiaries of HLB.

KEY SENIOR MANAGEMENT OF THE GROUP

ANDREW JONG ANN KEE

Managing Director,
Personal Financial Services

Malaysian | 51 | Male

Mr Andrew Jong Ann Kee holds a LL.B. (Honours) from the University of Nottingham, United Kingdom and an MBA (Distinction) from Imperial College, London. He was a Chevening scholar at both graduate and post-graduate levels. He also holds the CFP CERT TM certification.

Mr Andrew Jong joined Hong Leong Group in 2005 and has since held numerous senior positions on different management and operating entities in the group.

Mr Andrew Jong has over 20 years of diverse professional experience across financial services, consultancy, manufacturing, e-commerce and conglomerate management, having built a successful track record in the areas of strategic planning, banking merger and integration, franchise regionalisation, business growth, capability building and consumer banking.

His most recent roles saw him leading the Mortgage and Retail Wealth businesses in the Personal Financial Services ("PFS") division of HLB. He also led strategy and planning initiatives for PFS. He assumed his current position on 2 April 2022.

YOW KUAN TUCK

Managing Director,
Business and Corporate Banking

Malaysian | 55 | Male

Mr Yow Kuan Tuck holds a Bachelor of Laws and Letters degree from University of Leicester, United Kingdom as well as a Certificate of Legal Practice from the Legal Qualifying Board, Malaysia.

Mr Yow joined HLB on 2 May 2017 as Managing Director, Business and Corporate Banking.

Mr Yow has over 30 years of experience in the financial services sector, having built a successful track record in growing corporate and financial institutions businesses, managing portfolios such as financial institutions, public sector and other industry group.

Prior to joining HLB, Mr Yow was with Standard Chartered Bank Malaysia as Managing Director, Head of Financial Institutions between 2013 and 2017. He commenced his banking career with Citibank Malaysia in the Country Compliance for a number of years before a career change into institutional banking where over the next 15 years, he held various senior positions including Head of Financial Institutions & Public Sector Group in Citibank Malaysia's Corporate Bank.

KEY SENIOR MANAGEMENT OF THE GROUP

JEFFREY YAP CHIH YEE

Managing Director,
Regional Head of Wealth Management

Malaysian | 49 | Male

Mr Jeffrey Yap Chih Yee holds an MBA from Charles Sturt University and an Honors BSc in Economics from the University of London. He is a CAIA Charterholder and a Full Member of the Hong Kong Management Association. Additionally, he holds accreditations in Sustainable Investing and Blockchain from leading Global Universities.

Mr Jeffrey Yap joined HLB on 13 January 2025 as Managing Director, Regional Head of Wealth Management. He is a highly accomplished investment professional with over 30 years of experience in global financial markets.

Prior to joining HLB, Mr Jeffrey Yap was Head of the Investments and Wealth Solutions for Southeast Asia at HSBC, where he oversaw the investments, products, advisory, platform and digital solutions for wealth across all client segments.

His career also includes key leadership roles at PAG, one of Asia's largest alternative investment firms, where he served as a Managing Director of fixed-income investments. He has also held positions as Chief Investment Officer of Ark One and Managing Director and Head of Fixed Income Trading — Asia at Mizuho Securities.

Mr Jeffrey Yap is a well-recognised investment professional in Asia with over 30 years of experience in global financial markets across multiple products and asset classes. He has built and managed investments, research, trading, product, advisory and sales teams for global financial institutions including hedge funds, global markets, private banks and wealth management.

KULDEEP SINGH KARNAIL SINGH

Managing Director,
Global Markets

Malaysian | 54 | Male

Mr Kuldeep Singh Karnail Singh holds a Master of Business Administration from Imperial College, London.

Mr Kuldeep joined HLB on 1 July 2026 as Managing Director of Global Markets. In this role, he leads the Global Markets team to drive performance and manage risk exposure across asset classes, market-making activities, and Profit & Loss, while accelerating Global Markets franchise sales through strategic institutional relationships.

Mr Kuldeep brings with him over 25 years of banking experience in strategic leadership and driving growth across the APAC region and global markets. Prior to joining HLB, he served as Managing Director of Wholesale Banking at MBSB Bank Berhad, overseeing investment banking, financial markets, corporate banking, transaction banking and asset management. He previously spent over 20 years at Citibank, progressing through the ranks to hold senior country, regional, and global leadership roles across key international financial hubs, including as ASEAN Head of Markets & Securities Services, and Head of Strategic Growth & Investments APAC. He has also served as an Executive Committee member of the Asia Securities Industry and Financial Markets Association (ASIFMA) and an Executive Board member of the Treasury Markets Association of Hong Kong.

KEY SENIOR MANAGEMENT OF THE GROUP

DAFINAH AHMED HILMI

Chief Executive Officer,
HLB Islamic, a wholly-owned subsidiary of HLB

Malaysian | 49 | Female

Puan Dafinah Ahmed Hilmi holds a Bachelor of Arts (Honours) in Accounting and Financial Management from the University of Essex, United Kingdom and an MBA from Alliance Manchester Business School, University of Manchester, United Kingdom. She is a Chartered Member of the Chartered Institute of Islamic Finance Professionals ("CIIF") and a Certified Expert in Sustainable Finance by the Frankfurt School of Finance and Management. She also serves on the Charter Governing Panel of the CIIF, representing The Association of Islamic Banks in Malaysia (AIBIM) and is an Industry Fellow at the Institute of Shariah Governance and Islamic Finance (ISGaIF), University Utara Malaysia.

Puan Dafinah was appointed as the Chief Executive Officer of HLB Islamic on 6 June 2023.

She brings over 25 years of leadership experience in the financial services industry, spanning both conventional and Islamic banking, with extensive expertise in corporate and commercial banking, trade finance, strategic business development and leadership.

Prior to joining HLB Islamic, Puan Dafinah spent 19 years with HSBC Amanah Malaysia Berhad ("HSBC"), where she held various senior leadership positions across Commercial Banking, Global Banking and Markets and Global Trade and Receivable Finance. In the last position she held at HSBC as Head and Director of Commercial Banking, she was responsible for driving the growth and performance of the commercial banking franchise while strengthening the Shariah-compliant banking proposition of HSBC. She began her banking career with UOB Malaysia.

TERRENCE TEOH YIH MIN

Managing Director,
China Operations

Malaysian | 47 | Male

Mr Terrence Teoh Yih Min holds a Bachelor of Business Degree from La Trobe University, Melbourne, Australia.

Mr Terrence Teoh began his career with Citibank, Southern Bank and UOB prior to joining HLB in 2012 as Head of SME Banking. Since then, he has successfully merged and built the Corporate SME and Retail SME banking into a bank-wide SME Banking business, contributing to HLB being recognised as Best SME Bank in Malaysia since 2019.

Mr Terrence Teoh was appointed as Chief Executive Officer of HLBCAM in 2021. He assumed the current position as Managing Director, HLB China Operations on 15 July 2025. He was appointed as Director and Vice Chairman of Bank of Chengdu Co., Ltd. since September 2025.

KEY SENIOR MANAGEMENT OF THE GROUP

LEONG WAI MUN

Managing Director & Chief Executive Officer, HLBCAM, a wholly owned subsidiary of HLB

Malaysian | **64** | **Male**

Mr Leong Wai Mun holds Master of Business Administration and Bachelor of Science from the University of South Alabama, United States.

Mr Leong was appointed as Managing Director & Chief Executive Officer of HLBCAM on 1 July 2025.

Mr Leong has around 37 years of banking experience. He joined HLB in April 2006. Prior to his current appointment in HLBCAM, he was an Advisor, PFS Credit, in which he was a member of Management Credit Committee, and handling projects i.e. High Net Worth Individual Policies, Omnibus Financing, and Private Wealth Credit. Before that, he served in as Chief Credit Officer of Retail Bank and was instrumental in developing and strengthening the HLB credit culture over 15 years.

Prior to HLB, he had spent 18 years with Citibank Malaysia where he was a Senior Credit Manager and Card Credit Cycle Head, Senior Regional Specialist – Credit Operations, and Credit Operations Director.

SHIRLEY LEONG SAU LAI

Managing Director & Chief Executive, HLB, Hong Kong Branch

Malaysian | **51** | **Female**

Ms Shirley Leong Sau Lai holds a Bachelor of Arts (Honours) in Accounting & Finance from Middlesex University, London, United Kingdom.

Ms Shirley Leong joined HLB Hong Kong Branch on 26 May 2026 and was appointed as Managing Director & Chief Executive on 10 July 2026.

Ms Shirley Leong has 30 years of banking experience in various Global & Regional banks including Standard Chartered, UOB and HSBC. Prior to HLB, she held a regional leadership role in HSBC leading the Commercial Banking Sales Team for the Cash Management business. She brings with her 30 years of experience in Commercial & Corporate Banking, holding senior positions in relationship management, credit & lending and transaction banking.

Notes:

1. **Family Relationship with Director and/or Major Shareholder**

   None of the Key Senior Management has any family relationship with any Director and/or major shareholder of HLB.

2. **Conflict of Interest/Potential Conflict of Interest**

   None of the Key Senior Management has any conflict of interest or potential conflict of interest, including any interest in any competing business with HLB and its subsidiaries.

3. **Conviction of Offences**

   None of the Key Senior Management has been convicted of any offences (excluding traffic offences) in the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2026.

BOARD AUDIT COMMITTEE REPORT

CONSTITUTION

The Board Audit Committee ("BAC") is established to support the Board in discharging the following responsibilities:

1. Oversee management's implementation of the Bank's governance framework and internal control framework/policies.

2. Oversee that management has a reliable and transparent financial reporting process within the Bank by providing independent oversight of internal and external audit function.

COMPOSITION

MS LAU SOUK HUAN
(Chairman, Independent Non-Executive Director)

MS CHEONG SOO CHING
(Independent Non-Executive Director)

YBHG DATUK MANHARLAL A/L RATILAL
(Independent Non-Executive Director)

SECRETARY

The Secretary(ies) to the BAC are the Company Secretary(ies) of the Bank.

TERMS OF REFERENCE

The terms of reference ("TOR") of the BAC are published on the Bank's website at www.hlb.com.my.

AUTHORITY

The BAC is authorised by the Board to review any activity of the Bank and its subsidiaries (collectively the "Group") within its Terms of Reference. It is authorised to seek any information it requires from any Director or member of senior management and in this respect, all employees are directed to co-operate with any request made by the BAC, including but not limited to providing the BAC with sufficient support and resources required to investigate any matter within the mandates of the BAC.

The BAC is authorised by the Board to obtain independent legal or other professional advice as it considers necessary.

MEETINGS

The BAC meets at least eight (8) times a year and additional meetings may be called at any time as and when necessary. All meetings to review the interim financial reports and annual financial statements are held prior to such interim financial reports and annual financial statements being presented to the Board for approval.

The Group Managing Director/Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Internal Auditor, Chief Compliance Officer, employees and external auditors may be invited to attend the BAC meetings, whenever required. At least twice a year, the BAC will have separate sessions with the external auditors without the presence of Executive Directors and Management.

The BAC will also engage privately with the Chief Internal Auditor on a regular basis (and in any case at least twice annually) to provide the opportunity for the Chief Internal Auditor to discuss issues faced by the internal audit function.

Issues raised, discussions, deliberations, decisions and conclusions made at the BAC meetings are recorded in the minutes of the BAC meetings. A BAC member who has, or potentially has, directly or indirectly, an interest in a material transaction or material arrangement or conflict of interest situation shall not be present at the BAC meeting where the material transaction or material arrangement or conflict of interest situation is being deliberated by the BAC.

Two (2) members of the BAC, who shall be independent, shall constitute a quorum and the majority of members present must be independent directors.

After each BAC meeting, the BAC shall report and update the Board on significant issues and concerns discussed during the BAC meetings and where appropriate, make the necessary recommendations to the Board.

ACTIVITIES

The BAC carried out its duties in accordance with its Terms of Reference.

During the financial year ended 30 June 2026 ("FY2026"), eight (8) BAC meetings were held and the attendance of the BAC members were as follows:

Member	Attendance
Ms Lau Souk Huan	8/8
Ms Cheong Soo Ching	8/8
YBhg Datuk Manharlal A/L Ratilal	8/8

BOARD AUDIT COMMITTEE REPORT

HOW THE BAC DISCHARGES ITS RESPONSIBILITIES

FINANCIAL REPORTING

The BAC reviewed the interim financial reports and annual financial statements of the Bank and of the Group focusing particularly on:

(i) any significant changes in accounting policies and practices;
(ii) significant matters highlighted including financial reporting issues, material judgements made by management, material and unusual events or transactions, and how these matters are addressed;
(iii) material adjustments arising from the audit;
(iv) the going concern assumptions;
(v) compliance with accounting standards and other legal requirements; and
(vi) tax related matters.

In the course of reviewing the interim financial reports and annual financial statements, BAC had made enquiries and sought explanations from the Senior Management including Chief Financial Officer on any significant changes between the current and corresponding quarter/period.

EXTERNAL AUDIT

The external auditors of the Group for the FY2026 is PricewaterhouseCoopers PLT ("PwC PLT"). The BAC discussed and reviewed with the external auditors, before the audit commenced for the financial year:

(i) the audit plan and timetable for the financial audit of the Group including the focus areas and approach to the current financial year's audit and any significant issues that can be foreseen, either as a result of the past years' experience or due to new accounting standards or other changes in statutory or listing requirements; and
(ii) the methodology and timetable of the Statement on Risk Management and Internal Control.

The BAC reviewed the report and audit findings of the external auditors and considered management's responses to the external auditors' audit findings and investigations. The BAC also had two (2) separate sessions with the external auditors without the presence of the Executive Directors and management whereby matters discussed included key reservations noted by the external auditors during the course of their audit; whilst the BAC Chairman maintained regular contact with the audit partner throughout the year.

The BAC reviewed the external auditors' fees and their scope of services. The approved and incurred fees for the FY2026 amounted to RM5,299,068, of which RM442,000 was payable in respect of non-audit services. Non-audit services accounted for 13% of the total fees payable. The BAC assessed the objectivity and independence of the external auditors prior to the appointment of the external auditors for ad-hoc non-audit services.

The BAC also evaluated the performance of PwC PLT in the following areas in relation to their re-appointment as auditors for the financial year ending 30 June 2027 and considered PwC PLT to be independent:

(a) level of knowledge, capabilities, experience and quality of previous work;

(b) level of engagement with the BAC;

(c) ability to provide constructive observations, implications and recommendations in areas which require improvements;

(d) adequacy in audit coverage, effectiveness in planning and conduct of audit;

(e) ability to perform the audit work within the agreed timeframe;

(f) non-audit services rendered by PwC PLT does not impede independence;

(g) ability to demonstrate unbiased stance when interpreting the standards/policies adopted by HLB;

(h) risk of familiarity threat in respect of PwC PLT's appointment as external auditors; and

(i) the objectivity and commitment of the concurring partner to review audit documentation.

PwC PLT, in accordance with professional ethical standards, have provided the BAC with confirmation of their independence for the duration of the FY2026 and the measures used to control the quality of their work.

The BAC has therefore recommended to the Board that PwC PLT be re-appointed as the auditors. Resolution concerning the re-appointment of PwC PLT will be proposed to shareholders at the 2026 Annual General Meeting.

BOARD AUDIT COMMITTEE REPORT

RELATED PARTIES TRANSACTIONS AND CONFLICT OF INTEREST

The BAC conducted quarterly review of the recurrent related party transactions ("RRPT") entered into by the Group to ensure that such transactions are undertaken on commercial terms and on terms not more favourable to the related parties than those generally available to and/or from the public.

The Group had put in place the procedures and processes to ensure the RRPT are conducted on commercial terms consistent with the Group's usual business practices and policies and on terms not more favourable to the related parties than those generally available to and/or from the public, where applicable.

The BAC reviewed the said procedures and processes on an annual basis and as and when required, to ensure that the said procedures are adequate to monitor, track and identify RRPT in a timely and orderly manner, and are sufficient to ensure that the RRPT will be carried out on commercial terms consistent with the Group's usual business practices and policies and on terms not more favourable to the related parties than those generally available to and/or from the public.

The BAC assisted the Board in reviewing and monitoring any conflict of interest and potential conflict of interest situations within the Bank, to ensure compliance with the provisions of the Board Policy on Directors' Conflict of Interest of the Bank. In 2026, the BAC endorsed and the Board approved the revised Board Policy on Directors' Conflict of Interest of the Bank, which was amended to include the retention period for record maintenance, as well as to expand the consequence management for non-compliance.

There were no conflicts of interest and potential conflicts of interest reported in the FY2026, other than related party transactions and RRPT.

WHISTLEBLOWING

The Group has in place Whistleblowing policy and procedures to provide an avenue for all employees of the Group, as well as any (legal or natural) person including those providing services to, or having a business relationship with the Group, to raise genuine concerns about any improper conduct or wrongful act ("Improper Conduct") that is committed involving the Group and/or persons associated with the Group (Associated Persons) through the Group's whistleblowing channels on a confidential basis.

The BAC reviews the Group's Whistleblowing Policy on an annual basis and as required, to ensure the policy is adequate and relevant to the Group, with compliance to applicable laws and regulation in relation to Whistleblowing. The BAC reviews and performs oversight on the effective implementation of the policies and procedures on Whistleblowing for the Group.

Upon receipt of any whistleblower report over Improper Conduct involving the Group, the Chairman of BAC shall forward the report to the appropriate person(s) to carry out the necessary actions. The BAC deliberates the outcome of whistleblowing reports and matters in a restricted Whistleblowing agenda at the BAC meetings, to:

i. discuss and review the investigation reports;
ii. deliberate on the findings and recommendation from the report; and
iii. decide on further steps to be taken in accordance with the Group's Whistleblowing policy and procedures.

INTERNAL AUDIT

The BAC reviewed the adequacy of internal audit scope, internal audit plan and resources of the various internal audit functions within Group Internal Audit Division ("GIAD").

During the financial year, BAC noted that GIAD had effectively carried out internal audits to all business entities of the Group, and reviewed the GIAD's reports on the audits performed on the Group as set out in the GIAD section below.

The BAC has reviewed the audit findings and recommendations of the GIAD, including any findings of internal investigations, and has ensured that management has taken the necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements and policies. The BAC also reviewed at every BAC meeting the status update of management's corrective action plans for the resolution of internal audit's findings and recommendations. Recommendations were made by BAC to ensure that the root causes raised by GIAD in their audit reports were effectively resolved and that any outstanding audit findings be tracked for timely resolution.

BOARD AUDIT COMMITTEE REPORT

GROUP INTERNAL AUDIT DIVISION

The GIAD of HLB assists the BAC in the discharge of its duties and responsibilities. GIAD employs a risk-based assessment approach in auditing the Group business and operational activities. The high-risk activities are given due attention and audited on a more regular basis while the rest are prioritised to potential risk exposure and impact.

During the FY2026, GIAD carried out its duties covering risk-based audits on Personal Financial Services, Regional Wealth Management, Business Corporate Banking, Branch Operations and Global Markets businesses, Group Operations, Group Functions, Group Information and Technology, investigations and any other assignments as directed. These audits are performed in line with the BNM Guidelines on Internal Audit Function.

Besides performing internal audit functions to the Group, GIAD, through a service agreement, also provides internal audit services to Hong Leong Investment Bank Berhad, Hong Leong Assurance Berhad, and Hong Leong MSIG Takaful Berhad in regards to reviews of IT infrastructure, operations and information security management. The cost incurred for the Internal Audit function of the Group in respect of the FY2026 was RM15.7 million.

This BAC Report is made in accordance with the resolution of the Board of Directors.

BOARD RISK MANAGEMENT COMMITTEE (BRMC) REPORT

CONSTITUTION

The Board Risk Management Committee ("BRMC") is established to support the Board in discharging the following responsibilities:

1. Oversee Management's implementation of the Bank's governance framework and internal control framework/ policies.

2. Ensure Management meets the expectations on risk management as set out in the policy document on Risk Governance.

3. Oversee Management's implementation of compliance risk management.

4. Promote the adoption of sound corporate governance principles as set out in the Policy Document on Corporate Governance within the Bank and its subsidiaries (collectively known as "the Bank").

5. Consider Environmental, Social and Governance (ESG) issues when reviewing risk management policies, as well as oversee progress against goals and targets for addressing climate related issues.

COMPOSITION

The BRMC shall:

(a) have at least three directors;

(b) comprise only non-executive directors, with a majority of them being independent directors;

(c) be chaired by an independent director who is not the Chairman of the Board;

(d) comprise directors who have the skills, knowledge and experience relevant to the responsibilities of the board committee; and

(e) include the Chair of the Board Audit Committee.

SECRETARY

The Secretariat to the BRMC is the Group Risk Management ("GRM") of the Bank.

TERMS OF REFERENCE

RISK MANAGEMENT

1. To review Management's activities in managing principal risks which includes (but are not limited to) capital adequacy, credit risk, market risk, liquidity risk, interest rate risk in the banking book, operational risk, technology risk, compliance risk, and environmental, social and governance (ESG) risk. The Committee's holistic oversight of risk management and internal control is supplemented by reviews of risk management related matters submitted to the Board Audit Committee (BAC), the Board Information Technology Committee (BITC), and the Nomination and Remuneration Committee (NRC).

2. To review Management's reporting to the Board on measures taken to:

   (a) Identify and examine principal risks faced by the Bank.

   (b) Implement appropriate systems and internal controls to manage these risks.

3. To review Management's major risk management strategies, policies and risk tolerance for Board's approval.

4. To review Management's overall framework on the Internal Capital Adequacy Assessment Process ("ICAAP"), annual risk appetite and Capital Management Plan for Board's approval.

5. To review Management's development and effective implementation of the ICAAP.

6. To review Management's stress testing governance including the evaluation of the capital stress test scenarios, parameters, key assumptions, climate risk pathways and results.

7. To review Management's periodic reports on risk appetite, risk exposure, risk portfolio composition, stress testing and risk management activities.

8. To review the adequacy and effectiveness of Management's internal controls and risk management process.

9. To review the adequacy of risk management policies and frameworks in identifying, measuring, monitoring and controlling risk and the extent to which these are operating effectively.

BOARD RISK MANAGEMENT COMMITTEE (BRMC) REPORT

10. To review risk management function's infrastructure, resources and systems and to ensure the staff responsible for implementing risk management systems perform those duties independently of the Bank's risk-taking activities.

11. To receive and review reports from pertinent management committees.

12. To review Management's implementation of risk management as set out in BNM's policy documents on Risk Governance, Approaches to Regulating and Supervising Financial Group and Corporate Governance.

13. To review and advise on the appointment, remuneration, removal and redeployment of the Chief Risk Officer.

14. To engage privately with the Chief Risk Officer on a regular basis (and in any case at least twice annually) to provide opportunity for the Chief Risk Officer to discuss issues faced by the risk management function.

15. Other risk management functions as may be agreed to by the Board.

CONNECTED PARTY TRANSACTIONS AND CONFLICT OF INTEREST SITUATIONS

1. To review and update the Board on any connected party transactions that may arise within the Group, in relation to the Board's consideration of (i) ratification of management approvals for low-value personal consumption credits to connected parties, which approving authority is delegated to management; and (ii) approvals for credit requests, other than for low-value personal consumption, to connected parties.

2. To monitor compliance with the Board's conflict of interest policy, review conflict of interest situation that arose, persist or may arise within the Group, and the measures taken to resolve, eliminate or mitigate such conflicts.

COMPLIANCE

1. To assist the Board in the oversight of the management of compliance risk (includes regulatory compliance risk, financial crime risk, and bribery and corruption risk) by:

   (a) reviewing compliance policies and overseeing management's implementation of the same;

   (b) reviewing the establishment of the compliance function and the position of the Chief Compliance Officer to ensure the compliance function and Chief Compliance Officer has appropriate standing, authority and independence;

   (c) discussing and deliberating compliance issues regularly and ensuring such issues are resolved effectively and expeditiously;

   (d) reviewing annually the effectiveness of the Bank's overall management of compliance risk, having regard to the assessments of Senior Management and internal audit and interactions with the Chief Compliance Officer;

   (e) overseeing the Management's implementation of the principles set out in the Policy Document on Fair Treatment of Financial Consumers, including to promote the adoption of a sound corporate culture within the Bank which reinforces ethical, prudent and professional conduct and behaviour; and

   (f) updating the Board on all compliance matters, including providing its views on (a) to (e) above.

2. In relation to the role of the Chief Compliance Officer, support the Board in meeting the expectations on compliance risk management as set out in BNM's policy document on Compliance by:

   (a) reviewing and advising on the appointment, remuneration, removal and redeployment of the Chief Compliance Officer;

   (b) ensuring that the Chief Compliance Officer has sufficient stature to allow for effective engagement with the CEO and other members of Senior Management;

   (c) engaging privately with the Chief Compliance Officer on a regular basis (and in any case at least twice annually) to provide the opportunity for the Chief Compliance Officer to discuss issues faced by the compliance function;

   (d) ensuring that the Chief Compliance Officer is supported with sufficient resources to perform duties effectively; and

   (e) where the Chief Compliance Officer also carries out responsibilities in respect of other control functions, the BRMC shall be satisfied that a sound overall control environment will not be compromised by the combination of responsibilities performed by the Chief Compliance Officer.

BOARD RISK MANAGEMENT COMMITTEE (BRMC) REPORT

3. Other compliance functions as may be agreed to by the Board.

GOVERNANCE

1. Noted that:

   (a) The Bank, as a company with licensed subsidiary companies has overall responsibility for ensuring the establishment and operation of a clear governance structure within its subsidiaries.

   (b) The Board's responsibility is to promote the adoption of sound corporate governance principles throughout the Bank.

   (c) The Bank's risk and compliance functions may propose objectives, strategies, plans, governance framework and policies for adoption and implementation within the Bank.

   (d) The respective subsidiaries' board of directors and Senior Management must validate that the objectives, strategies, plans, governance framework and policies set at the Bank level are fully consistent with the regulatory obligations and the prudential management of the subsidiary and ensure that entity specific risks are adequately addressed in the implementation of Bank policies.

AUTHORITY

The BRMC is authorised by the Board to:

1. review any activities of the Bank within its terms of reference;

2. seek any information it requires from any Director or member of Senior Management and in this respect, all employees are directed to co-operate with any request made by the BRMC, including but not limited to providing the BRMC with sufficient support and resources to investigate any matter within the mandates of the BRMC; and

3. obtain independent legal or other professional advice if it considers necessary.

The Board remains fully accountable for any authority delegated to the BRMC.

MEETINGS

The BRMC meets at least eight (8) times a year and additional meetings may be called at any time as and when necessary.

The Group Managing Director/Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, Chief Internal Audit, Chief Compliance Officer, other Senior Management, employees and external auditors may be invited to attend the BRMC meetings, whenever required.

Issues raised, discussions, deliberations, decisions and conclusions made at the BRMC meetings are recorded in the minutes of the BRMC meetings. A BRMC member who has, directly or indirectly, an interest in a material transaction or material arrangement shall not be present at the BRMC meeting where the material transaction or material arrangement is being deliberated by the BRMC.

Two (2) members of the BRMC, who shall be independent and non-executive, shall constitute a quorum. No business shall be transacted at any BRMC meeting unless a quorum is present at the commencement of the meeting and when conducting the business of the meeting.

After each BRMC meeting, the BRMC shall report and update the Board on significant issues and concerns discussed during the BRMC meetings and where appropriate, make the necessary recommendations to the Board.

REVISION OF THE TERMS OF REFERENCE

Any revision or amendment to the Terms of Reference, as proposed by the BRMC, shall first be presented to the Board for its approval. Upon the Board's approval, the said revision or amendment shall form part of this Terms of Reference which shall be considered duly revised or amended.

ACTIVITIES

The BRMC carried out its duties in accordance with its Terms of Reference supported by the Group Risk Management and Group Compliance functions.

BOARD RISK MANAGEMENT COMMITTEE (BRMC) REPORT

For the financial year ended 30 June 2026, nine (9) BRMC meetings were held and the attendance of the BRMC members is recorded as follows:

Member	Attendance
Datuk Manharlal A/L Ratilal	9/9
Ms. Lau Souk Huan	9/9
Ms. Cheong Soo Ching	9/9

The BRMC reviewed major risk management strategies, policies and risk appetite levels for Board's approval. In addition, the BRMC regularly reviews risk management reports which covers global and regional economic developments, risk headwinds, capital adequacy, stress tests, credit risk, market risk, interest rate risk in the banking book, compliance risk, liquidity risk, operational risk, technology risk and environment, social and governance (ESG) risk.

The Committee's holistic oversight of risk management and internal control is supplemented by reviews of risk management related matters submitted to the Board Audit Committee (BAC), the Board Information Technology Committee (BITC), and the Nomination and Remuneration Committee (NRC).

The BRMC also regularly reviews regulatory compliance and financial crime compliance reports which include new regulatory updates, compliance assurance reports, non-compliant incidents report and financial crime compliance trends. The BRMC continuously provides oversight of the Bank's compliance and ABC (Anti-Bribery and Corruption) activities to ensure that the Bank is in compliance to all established policies and external regulations.

The BRMC deliberated on stress test results across multiple stress pathways which were simulated against economic triggers, geopolitical and technologically driven events, as well as climate scenarios. This provided insightful and timely updates particularly on the Bank's financial, capital and liquidity impacts, in addition to Management's efforts taken to mitigate any impact.

The BRMC also reviewed reports on Management's sustainability initiatives within the Bank's business and operations. The BRMC deliberated on the progress of the Bank's adoption of BNM's Climate Change & Principle-based Taxonomy (CCPT), Climate Risk Management and Scenario Analysis (CRMSA) and the enhancements to ESG-related assessments and initiatives. Furthermore, the BRMC evaluates the Bank's sustainability disclosure alignment with the National Sustainability Reporting Framework (NSRF) which adopts the International Financial Reporting Standards (IFRS).

In fulfilling its duties regarding connected party transactions, the BRMC reviewed and updated the Board on any transactions that may arise within the Group, in relation to the Board's consideration of (i) ratification of management approvals for low-value personal consumption credits to connected parties, which approving authority is delegated to management; and (ii) approvals for credit requests, other than for low-value personal consumption, to connected parties. The Committee also monitor compliance with the Board's conflict of interest policy, review conflict of interest situation that arose, persist or may arise within the Group, and the measures taken to resolve, eliminate or mitigate such conflicts.

In relation to the developed HLFG recovery plan, the recovery planning process has been integrated within the Bank's overall risk appetite and risk management framework with review and endorsement from the BRMC. The recovery plan was developed to enhance the HLFG and the Bank's readiness in managing severe stress events that may threaten their viability.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

> Corporate Governance is the process and structure used to direct and manage the business and affairs of the Company towards promoting business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value while taking into account the interest of other stakeholders.
>
> Finance Committee on Corporate Governance

The Board of Directors ("Board") is pleased to present this statement with an overview of the corporate governance ("CG") practices of the Group which supports the three key principles of the Malaysian Code on Corporate Governance ("MCCG") 2021, namely board leadership and effectiveness; effective audit and risk management; and integrity in corporate reporting and meaningful relationship with stakeholders.

The CG Report 2026 of the Bank in relation to this statement is published on the Bank's website, www.hlb.com.my ("the Bank's Website").

The Board also reviewed the manner in which the Bank Negara Malaysia's ("BNM") policy document on Corporate Governance ("BNM CG Policy") is applied in the Group, where applicable, as set out below.

SECTION A. ROLES AND RESPONSIBILITIES OF THE BOARD

The Board assumes responsibility for effective stewardship and control of the Bank and has established terms of reference ("TOR") to assist in the discharge of this responsibility.

In discharging its responsibilities, the Board has established functions which are reserved for the Board and those which are delegated to management. The key roles and responsibilities of the Board are set out in the Board Charter, which is reviewed periodically by the Board and published on the Bank's Website. The key roles and responsibilities of the Board broadly cover reviewing and approving corporate policies and strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate systems to manage those risks; promoting good corporate culture; and reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditure and such other responsibilities that are required as specified in the guidelines and circulars issued by BNM from time to time.

The day-to-day business of the Bank is managed by the Group Managing Director/Chief Executive Officer ("GMD/CEO") who is assisted by the management team. The GMD/CEO and his management team are accountable to the Board for the performance of the Bank. In addition, the Board has established Board Committees which operate within clearly defined TOR primarily to support the Board in the execution of its duties and responsibilities.

To discharge its oversight roles and responsibilities more effectively, the Board has delegated the independent oversight over, inter alia, internal and external audit functions and internal controls to the Board Audit Committee ("BAC"); and risk management to the Board Risk Management Committee ("BRMC"). The Nomination and Remuneration Committee ("NRC") is delegated the authority to, inter alia, assess and review Board, Board Committees and GMD/CEO appointments and re-appointments; oversee management succession planning; and review the remuneration framework and policies of Directors, senior management and other material risk takers. Although the Board has granted such authority to the Board Committees, the ultimate responsibility and the final decision rest with the Board. The chairmen of the Board Committees report to the Board on matters dealt with at their respective Board Committee meetings. Minutes of Board Committee meetings are also tabled at Board meetings.

There is a clear division of responsibilities between the Chairman of the Board and the GMD/CEO. This division of responsibilities between the Chairman and the GMD/CEO ensures an appropriate balance of roles, responsibilities and accountability.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION A. ROLES AND RESPONSIBILITIES OF THE BOARD (CONTINUED)

The Chairman leads the Board and ensures its smooth and effective functioning.

The GMD/CEO is responsible for formulating the vision, recommending policies and the strategic direction of the Bank for approval by the Board, implementing the decisions of the Board, initiating business ideas and corporate strategies to create competitive edge and enhancing shareholders wealth, providing management of the day-to-day operations of the Bank and tracking compliance and business progress.

Independent Non-Executive Directors ("INEDs") are responsible for providing insights, unbiased and independent views, advice and judgment to the Board and bring impartiality to Board deliberations and decision-making. They also ensure effective checks and balances on the Board. There are no relationships or circumstances that could interfere with or are likely to affect the exercise of INEDs' independent judgment or their ability to act in the best interest of the Bank and its shareholders.

The Board is responsible for promoting sustainability through appropriate environmental, social and governance ("ESG") considerations in the Bank's business strategies. The Group continues to operate in a sustainable manner and seeks to contribute positively to the well-being of stakeholders. The Group takes a progressive approach in integrating sustainability into its businesses as set out in the Sustainability Statement in this Annual Report.

The Board observes the Code of Ethics for Directors established by the Bank and Hong Leong Bank Group ("HLB Group") Code of Conduct & Ethics, which are published on the Bank's Website. Details of the HLB Group Code of Conduct & Ethics are set out in Section F of this Statement.

SECTION B. BOARD COMPOSITION

The Board currently comprises eight (8) Directors. The eight (8) Directors are made up of seven (7) Non-Executive Directors, of whom five (5) are independent. The profiles of the members of the Board are set out in this Annual Report.

The Bank is guided by the BNM CG Policy and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa") in determining its board composition. The Board shall determine the appropriate size of the Board to enable an efficient and effective conduct of Board deliberation. The Board shall have a balance of skills and experience to commensurate with the complexity, size, scope and operations of the Bank. Board members should have the ability to commit time and effort to carry out their duties and responsibilities effectively.

The Bank has in place a Board Diversity Policy. The Board recognises the merits of Board diversity in adding value to collective skills, perspectives and strengths to the Board. The Board will consider appropriate targets in Board diversity including gender balance on the Board and will take the necessary measures to meet these targets from time to time as appropriate. The Board currently has eight (8) Directors, of whom three (3) are women Directors. The Board will work towards maintaining diversity participation on the Board in line with the MCCG.

Based on the review of the Board composition in July 2026, the Board is of the view that the current size and composition of the Board are appropriate and effective for the control and direction of the Group's strategy and business. The composition of the Board also fairly reflects the investment of shareholders in the Bank.

SECTION C. BOARD COMMITTEES

Board Committees have been established by the Board to assist in the discharge of its duties.

(a) BAC

The composition of the BAC and a summary of its activities in the discharge of its functions and duties for the financial year and explanation on how the BAC had met its responsibilities are set out in the BAC Report in this Annual Report.

The BAC's functions and responsibilities are set out in the TOR which is published on the Bank's Website.

(b) BRMC

The composition of the BRMC and a summary of its activities in the discharge of its functions and duties for the financial year and explanation on how the BRMC had met its responsibilities are set out in the BRMC Report of this Annual Report.

The BRMC's functions and responsibilities are set out in the TOR which is published on the Bank's Website.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION C. BOARD COMMITTEES (CONTINUED)

(c) NRC

The NRC was established on 1 October 2024. The composition of the NRC is as follows:

- YBhg Datuk Manharlal A/L Ratilal *(Chairman)*
- Ms Lau Souk Huan
- Encik Alan Hamzah Sendut

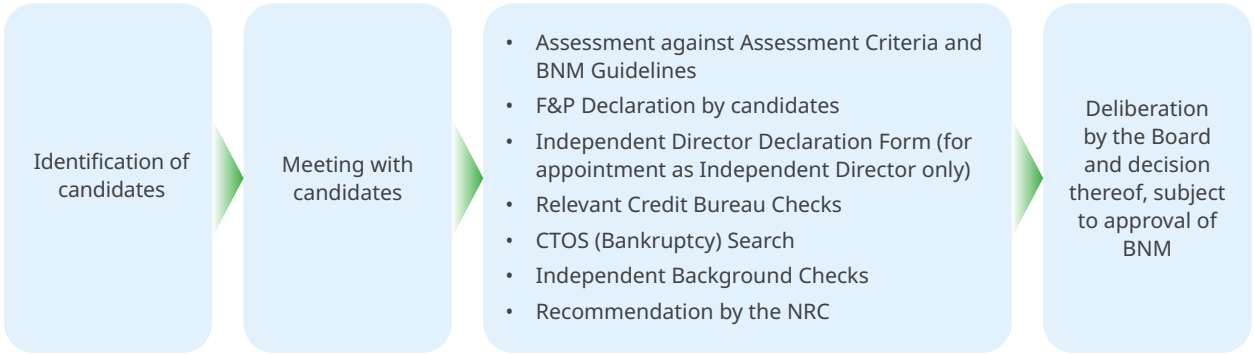
The NRC's functions and responsibilities are set out in the TOR which is published on the Bank's Website.

NOMINATION RESPONSIBILITIES

The Bank has in place a Fit and Proper ("F&P") Policy for Directors and CEO as a guide for the process and procedure for assessment of inter alia, (i) new appointments and re-appointments of Chairman, Directors and GMD/CEO, (ii) appointment of Board Committee members, and (iii) annual F&P assessment of Chairman, Directors and GMD/CEO, and the criteria and guidelines used for such assessments. Upon the approval of the Board, an application on the prescribed forms will be submitted to BNM for approval in respect of new appointments and re-appointments.

(i) New Appointments

The nomination, assessment and approval process for new appointments is as follows:



In assessing the candidates for Board appointments, the NRC will take into account, inter alia, the strategic and effective fit of the candidates for the Board, the overall desired composition and required mix of expertise and experience of the Board as a whole and having regard to the candidates' attributes, qualifications, management, leadership, business experience and their F&P Declarations in respect of their probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity in line with the standards required under the relevant BNM Guidelines. The Bank will also conduct independent background checks to verify the information disclosed in the F&P Declarations. The Bank has taken steps to build and maintain a pool of potential Board candidates from internal and external introductions, recommendations and independent sources with director databases in its search for suitable Board candidates.

In the case of GMD/CEO, the NRC will take into account the candidate's knowledge and experience in the industry, market and segment. The NRC will also consider the candidate's F&P Declaration in line with the standards required under the relevant BNM Guidelines.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION C. BOARD COMMITTEES (CONTINUED)

(c) NRC (CONTINUED)

NOMINATION RESPONSIBILITIES (CONTINUED)

(ii) Re-Appointments

The assessment and approval process for re-appointments is as follows:

- Assessment against Assessment Criteria and BNM Guidelines
- F&P Declaration
- Independent Director Declaration Form (for Independent Director only)
- Relevant Credit Bureau Checks
- CTOS (Bankruptcy) Search
- Independent Background Checks
- Recommendation by the NRC

→ Deliberation by the Board and decision thereof, subject to approval of BNM

For re-appointments, the Chairman, Directors and GMD/CEO will be evaluated on their performance in the discharge of duties and responsibilities effectively, including, inter alia, contribution to Board deliberations and commitment, and for Independent Directors, their independence. The NRC will also consider the results of the Annual Board Assessment (as defined below), their contributions during the term of office, attendance at Board meetings, F&P Declarations in respect of their probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity in line with the standards required under the relevant BNM Guidelines and for Independent Directors, their continued independence. Independent background checks will also be conducted to verify the information disclosed in their F&P Declarations.

(iii) Board Committees Appointments

The nomination, assessment and approval process for appointments to Board Committees ("Board Committees Appointments") is as follows:

Identification of Directors for Board Committees membership →
- Assessment against Assessment Criteria and BNM Guidelines
- Recommendation by the NRC

→ Deliberation by the Board and decision thereof

The assessment for Board Committees Appointments will be based on the Directors' potential contributions and value-add to the Board Committees with regard to Board Committees' roles and responsibilities.

(iv) Annual F&P Assessment

The annual F&P assessment process is as follows:

- Directors to complete:
  - the Board Annual Assessment Form
  - the F&P Declaration
  - Independent Director Declaration Form (for Independent Director only)
- CEO to complete the F&P Declaration
- Independent Background Checks

→
- Assessment against Assessment Criteria and BNM Guidelines
- Recommendation by the NRC

→ Deliberation by the Board and decision thereof

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION C. BOARD COMMITTEES (CONTINUED)

(c) NRC (CONTINUED)

NOMINATION RESPONSIBILITIES (CONTINUED)

(iv) Annual F&P Assessment (continued)

A formal evaluation process has been put in place to assess the effectiveness of the Board as a whole, the Board Committees and the contribution and performance of each individual Director on an annual basis ("Annual Board Assessment") in conjunction with the annual F&P assessment of Directors pursuant to the BNM Guidelines. Directors and GMD/CEO are required to complete the F&P Declaration in respect of their probity, competence, personal integrity, reputation, qualifications, skills, experience and financial integrity in line with the standards required under the relevant BNM Guidelines. Independent background checks will also be conducted to verify the information disclosed in their F&P Declarations.

The NRC will deliberate the results of the Annual Board Assessment and submit its recommendation to the Board for consideration and approval. For newly appointed Directors, the Annual Board Assessment will be conducted at the next annual assessment exercise following the completion of one year of service.

Assessment criteria for Board as a whole include, inter alia, the effectiveness of the Board composition in terms of size and structure vis-à-vis the complexity, size, scope and operations of the Bank; the core skills, competencies and experience of the Directors; and the Board's integrity, competency, responsibilities and performance. The assessment criteria for Board Committees include the effectiveness of the respective Board Committees' composition in terms of mix of skills, knowledge and experience to carry out their respective roles and responsibilities in accordance with the Board Committees' TOR and the contribution of the Board Committee members. Each individual Director is assessed on, inter alia, the effectiveness of his/her competency, expertise and contributions. The skills, experience, soundness of judgment as well as contributions towards the development of business strategies and direction of the Bank and analytical skills to the decision-making process are also taken into consideration.

For management succession planning, it has been embedded in the Group's process over the years to continuously identify, groom and develop key talents from within the Group. The Group also has a talent development programme to identify, retain and develop young high potential talents.

REMUNERATION RESPONSIBILITIES

The Group's remuneration scheme for Executive Directors is linked to performance, service seniority, experience and scope of responsibility and is periodically benchmarked to market/industry surveys conducted by human resource consultants. Performance is measured against profits and targets set in the Group's annual plan and budget.

The level of remuneration of Non-Executive Directors reflects the scope of responsibilities and commitment undertaken by them.

The NRC, in assessing and reviewing the remuneration packages of Executive Directors, ensures that a strong link is maintained between their rewards and individual performance, based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices. INEDs of the Bank are paid fixed annual director fees, Board Committee fees and meeting allowance for each Board and Board Committee meeting attended. The remuneration of INEDs is recommended and endorsed by the Board for approval by the shareholders of the Bank at its Annual General Meeting ("AGM"), and payable in cash to INEDs upon approval of the shareholders of the Bank.

The detailed remuneration of each Director during the financial year ended 30 June 2026 ("FY2026") is as set out in Note 40 of the Audited Financial Statements in this Annual Report.

Remuneration Philosophy & Framework

HLB Group's remuneration strategy supports and promotes a high performance culture to deliver the Bank's Vision to be a highly digital & innovative ASEAN financial services company. It also forms a key part of our Employer Value Proposition with the aim to drive the right behaviours, create a workforce of strong values, high integrity, clear sense of responsibility and high ethical standards.

The remuneration framework provides a balanced approach between fixed and variable components that is measured using a robust and rigorous performance management process that incorporates meritocracy in performance, HLB values, prudent risk-taking and key behaviours in accordance to our Code of Conduct with risk and compliance management as part of the key performance indicators for remuneration decisions.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

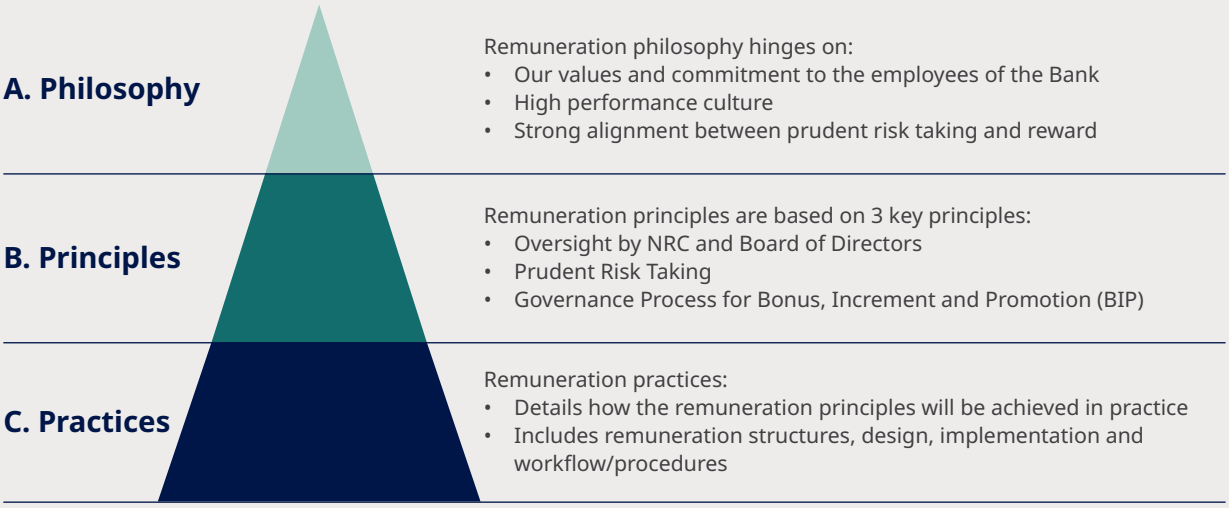
SECTION C. BOARD COMMITTEES (CONTINUED)

(c) NRC (CONTINUED)

REMUNERATION RESPONSIBILITIES (CONTINUED)

Remuneration Philosophy & Framework (continued)

Overview of Remuneration Policy Framework



Guiding Principles

Principle 1 - Oversight by NRC & Board of Directors

The NRC's responsibilities are to recommend to the Board, framework and policies that govern the remuneration of the Directors, Shariah Committee, Chief Executive Officer, senior management officers and other material risk takers. The NRC ensures that the remuneration system is in line with the business and risk strategies, corporate values and long-term interests of the Bank and that it has a strong link between rewards and individual performance and is periodically benchmarked to market/industry. The Board must ensure that the CG disclosures on remuneration are accurate, clear, and presented in a manner that is easily understood by its shareholders, customers and other relevant stakeholders.

Principle 2 - Prudent Risk Taking

Remuneration for employees within the Bank must be aligned with prudent risk-taking. Hence, remuneration outcomes must be symmetric with risk outcomes. This includes ensuring that remuneration is adjusted to account for all types of risk, and must be determined by both quantitative measures and qualitative judgement.

Principle 3 - Governance Process for Bonus, Increment and Promotion ("BIP")

The Bank has established an end-to-end BIP process to ensure proper governance and sufficient control is in place. Provision for variable remuneration is tied to the performance of the Bank and the pool is allocated according to the performance of each business unit. To safeguard the independence and authority of individuals engaged in control functions, the Bank ensures that the remuneration of such individuals is based principally on the achievement of control functions objectives and determined in a manner that is independent from the business lines they oversee. No increment is accorded to an employee with performance rating 1 (Below Expectations) or 2 (Meets Some Expectations, Needs Improvement). For an employee with a rating of 2, a nominal bonus may be given at the discretion of the division head. If the employee has tendered his/her resignation, the employee would not be eligible for the increment or bonus. The Bank has the discretion to impose an employment bond on employees who have received salary adjustments outside of the BIP cycle.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION C. BOARD COMMITTEES (CONTINUED)

(c) NRC (CONTINUED)

REMUNERATION RESPONSIBILITIES (CONTINUED)

Remuneration Practices

Measurement of Performance

The Bank's performance is determined in accordance with a balanced scorecard which includes key measures on profitability, cost, capital, shareholders' return, medium to long-term strategic initiatives, as well as risk, audit and compliance positions.

For each employee, performance is tracked through Key Result Areas ("KRAs") in a balanced scorecard. It focuses on the achievement of key objectives which are aligned to value creation for our shareholders and multiple stakeholders. At the end of the year, performance of the employee is assessed through the performance management framework which is based on 70% of KRAs (with mandatory weightage for Compliance and Training) and 30% of HLB Values, which now includes a prompt under the 'Here For The Long Term' value for employees to share their efforts in sustainability.

The Bank shall ensure the performance measure of the employee promotes the Bank's core values and desired conduct and behaviour to achieve Fair Treatment of Financial Consumers ("FTFC") and all relevant regulatory policies outcomes. Apart from quantitative targets, performance measures shall include qualitative criteria that closely reflect the delivery of FTFC and all relevant regulatory policies outcomes.

The Bank has integrated sustainability-related KPIs into our employees' KRAs under the 'Here For The Long Term' pillar, which carries a 6% weightage. All employees are required to document both qualitative actions and quantitative outcomes of their sustainability initiatives, thereby reinforcing a culture of accountability and transparency, and fostering alignment with the Bank's long-term sustainability objectives.

Selected senior and middle management members who are directly responsible for embedding sustainability into their divisional initiatives, including the Group Managing Director ("GMD"), are evaluated against scorecard objectives aligned with the Bank's sustainability and climate-related targets and strategy. These scorecard objectives carry a minimum weightage of 3-5%, in addition to the 6% sustainability KPI component applicable to all employees, with the Chief Sustainability Officer carrying the maximum weightage of 70%.

Pay Mix Delivery and its Purpose

The overall Total Compensation for the GMD/CEO and members of the Senior Management team generally includes base pay, fixed cash allowances, performance-based variable pay, long term incentives, benefits and other employee programmes.

1. Fixed Pay (base pay and fixed cash allowances)

   Fixed pay is delivered at an appropriate level taking into account skills, experience, responsibilities, competencies and performance; ensuring its competitiveness vis-à-vis comparable organisations for attraction and retention purposes.

2. Performance-based variable pay

   Performance-linked variable pay in the form of bonuses is paid out at the end of the financial year subject to the Bank's performance and in recognition of individual performance and key achievements during the year. It focuses on the achievement of key objectives which are aligned to value creation for our shareholders and multiple stakeholders. A robust key performance indicator setting process that incorporates risk management as part of the scorecards are also in place to ensure excessive risk taking behaviours of staff are minimised and sufficient control mechanism are in place. Variable bonus awards for individuals in senior management position and in excess of a certain thresholds will be deferred over a period of time.

3. Long term incentives

   In addition, the Bank also recognises and rewards individuals for their contributions towards the Bank's long-term business achievements (both in qualitative and quantitative measures) through a combination of cash and non-cash (i.e. shares or share-linked instruments) elements that are subject to partial deferment over a period of time (typically over a few years) with built-in clawback mechanism.

   The clawback mechanism can be triggered when there are non-compliances to regulations and policies and where Management deemed necessary due to achievements of performance targets that are not sustainable. Clawbacks are typically (and not limited to) applied in the case of Gross Misconduct, Financial Misstatements, Material Risks and/or Malfeasance of Fraud.

   The variable portion of remuneration (both Performance-based variable pay and long-term incentives) increases along with the individual's level of accountability. By subjecting an adequate portion of the variable remuneration package to forfeiture, it takes into account potential financial risks that may crystallize over a period of time, reinforces HLB's corporate and risk culture in promoting prudent risk taking behaviours.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION C. BOARD COMMITTEES (CONTINUED)

(c) NRC (CONTINUED)

REMUNERATION RESPONSIBILITIES (CONTINUED)

Remuneration Practices (continued)

4. Employee Benefits and Programmes

Employee benefits (e.g. health screening, medical, leave passage) are used to foster employee value proposition and wellness to ensure the overall well-being of our employees. These are being reviewed annually to ensure HLB remains competitive in the industry and that the employees are well taken care of.

Remuneration Disclosure

The following depicts the total value of remuneration awarded to the Senior Management team (including GMD/CEO) and Material Risk Takers for the FY2026:

i) GMD/CEO

	No of officer received	Total value of remuneration awarded for FY2026		Total amount of Outstanding deferred remuneration as at 30.06.2026 (RM)	Total amount of Outstanding deferred remuneration paid out (vested) in FY2026 (RM)
		Unrestricted (RM)	Deferred (RM)		
Fixed Remuneration					
Cash-based	1	2,969,388	-	-	-
Shares and share-linked instruments	-	-	-	-	-
Other	1	35,200	-	-	-
Variable Remuneration					
Cash-based	1	7,617,500	1,941,250	2,693,125	813,821
Shares and share-linked instruments	1	-	1,941,239*	2,693,106*	2,750,571*
Other	-	-	-	-	-

ii) Senior Management (including GMD/CEO)

	No of officer received	Total value of remuneration awarded for FY2026		Total amount of Outstanding deferred remuneration as at 30.06.2026 (RM)	Total amount of Outstanding deferred remuneration paid out (vested) in FY2026 (RM)
		Unrestricted (RM)	Deferred (RM)		
Fixed Remuneration					
Cash-based	28	34,143,016	-	-	-
Shares and share-linked instruments	-	-	-	-	-
Other	6	143,200	-	-	-
Variable Remuneration					
Cash-based	26	20,637,116	3,373,349	6,706,350	2,215,903
Shares and share-linked instruments	25	-	3,334,643*	6,758,532*	5,004,284*
Other	-	-	-	-	-

Senior Management refers to management staff who have primary and significant responsibility for the management and performance of significant business activities of the Bank and any person who assumes primary or significant responsibility for key control functions of the Bank.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION C. BOARD COMMITTEES (CONTINUED)

(c) NRC (CONTINUED)

REMUNERATION RESPONSIBILITIES (CONTINUED)

Remuneration Disclosure (continued)

iii) Material Risk Takers

	No of officer received	Total value of remuneration awarded for FY2026		Total amount of Outstanding deferred remuneration as at 30.06.2026 (RM)	Total amount of Outstanding deferred remuneration paid out (vested) in FY2026 (RM)
		Unrestricted (RM)	Deferred (RM)		
Fixed Remuneration					
Cash-based	12	9,018,068	-	-	-
Shares and share-linked instruments	-	-	-	-	-
Other	-	-	-	-	-
Variable Remuneration					
Cash-based	12	3,662,388	343,682	454,220	250,858
Shares and share-linked instruments	8	-	350,342*	465,549*	245,323*
Other	-	-	-	-	-

Material risk takers refers to an officer who is not a member of Senior Management Officers of the Bank and who can materially commit or control significant amounts of the Bank's resources or whose actions are likely to have a significant impact on the Bank's risk profile.

*Note: * The value of share is based on the valuation used for MFRS2 Accounting.*

The NRC meets at least two (2) times in each financial year and additional meetings may be called at any time as and when necessary.

There were seven (7) NRC meetings held during the FY2026 and the attendance of the NRC members were as follows:

NRC

Member	Attendance
YBhg Datuk Manharlal A/L Ratilal (Chairman)	7/7
Ms Lau Souk Huan	7/7
Ms Cheong Soo Ching[1]	4/4
Encik Alan Hamzah Sendut[2]	3/3

Note:
(1) Resigned as NRC member with effect from 12 December 2025
(2) Appointed as NRC member with effect from 12 December 2025

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION C. BOARD COMMITTEES (CONTINUED)

(c) NRC (CONTINUED)

The NRC carried out the following activities in the discharge of its duties in accordance with its TOR during the FY2026:

- Carried out the Annual Board Assessment and was satisfied that the Board as a whole, Board Committees and individual Directors have continued to effectively discharge their duties and responsibilities in accordance with their respective TORs, and that the current Board composition in terms of Board balance, size and mix of skills is appropriate and effective for the discharge of its functions. The NRC took cognisance of the merits of Board diversity including women participation on the Board, in adding value to the Bank. The NRC will continue to work towards maintaining diversity on the Board in line with the MCCG;

- Considered and assessed the position of Independent Directors of the Bank and was satisfied that the Independent Directors met the regulatory requirements for Independent Directors;

- Reviewed the F&P Assessment of Directors, GMD/CEO and Company Secretary in line with the BNM policy document on F&P Criteria and was satisfied that the Directors, GMD/CEO and Company Secretary met the requirements as set out in BNM policy document on F&P Criteria;

- Reviewed the terms of office and performance of the BAC and each of its members in accordance with the TOR of BAC and was of the view that the BAC and each of its members had carried out their duties in accordance with the BAC TOR for the period under review;

- Reviewed the appointment and re-appointment of Directors in accordance with the F&P Policy for Directors and CEO, BNM CG Policy and MMLR, and recommended to the Board for consideration and approval;

- Assessed potential candidates to fill vacancy(ies) in the Board and Board Committees, and recommended to the Board for consideration and approval;

- Considered the re-election of Directors who are due for retirement at the AGM pursuant to the Constitution of the Bank;

- Reviewed the F&P Policy for Directors and CEO, the Code of Ethics for Directors, the Board Policy on Succession Planning of the Board, the Standard Operating Procedures for Board Appointments, Re-appointment and Succession Planning, the TOR of NRC, and the Responsibility Mapping Register, and recommended them to the Board for consideration and approval;

- Reviewed the granting of share grants under the Executive Share Scheme of the Bank, and recommended to the Board for consideration and approval;

- Reviewed the Employees Benefits Board Policy and Remuneration (Board) Policy, and recommended to the Board for consideration and approval;

- Considered the proposed bonus, increment and promotion of Senior Management members, Material Risk Takers and GMD/CEO for FY2024/2025, and recommended to the Board for consideration and approval.

(d) BOARD INFORMATION AND TECHNOLOGY COMMITTEE ("BITC")

The BITC was established to jointly support the Boards of Hong Leong Bank Berhad and Hong Leong Islamic Bank Berhad in discharging the following responsibilities:

1. Oversee technology and cyber security related matters.

2. Ensure that risks assessments undertaken in relation to material technology applications are robust and comprehensive.

3. Ensure that management meets the expectations on technology and cyber security risk management as set out in BNM's policy document on Risk Management in Technology ("BNM RMiT Policy").

The composition of the BITC is as follows:

- Puan Marzida binti Mohd Noor (Chairman)
  (Appointed as BITC Chairman with effect from 6 April 2026)

- Ms Lau Souk Huan
  (Redesignated as BITC member with effect from 6 April 2026)

- YM Raja Noorma binti Raja Othman

- YBhg Datuk Manharlal A/L Ratilal
  (Resigned as BITC member with effect from 6 April 2026)

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION C. BOARD COMMITTEES (CONTINUED)

(d) BITC (CONTINUED)

The BITC's functions and responsibilities are set out in the TOR which is published on the Bank's Website.

During the FY2026, five (5) BITC meetings were held and the attendance of the BITC members was as follows:

Member	Attendance
Puan Marzida binti Mohd Noor[1]	2/2
Ms Lau Souk Huan	5/5
YBhg Datuk Manharlal A/L Ratilal[2]	3/3
YM Raja Noorma binti Raja Othman	5/5

Note:
(1) Appointed as BITC Chairman with effect from 6 April 2026
(2) Resigned as BITC member with effect from 6 April 2026

The BITC carried out the following activities in discharge of its duties in accordance with its TOR during the FY2026:

1. Strategic Planning, Project Delivery, and Financial Oversight

    - **Strategy and Budgets**: Monitored the progress of the overarching IT strategy against management plans and evaluated IT capital budget updates.
    - **Project Realisation**: Reviewed the progress of major IT projects, focusing on Return on Investment (ROI), payback periods, and benefit realisation tracked through the Post Project Investment Review (PPIR) framework.
    - **Cost Efficiency**: Provided oversight of the cost reduction (Green Savings) and cost avoidance (Blue Savings) including initiatives driven by Artificial Intelligence ("AI") and in-house Centre of Excellence (CoE) development.

2. Technology Innovation and Digital Disruption

    - **Emerging Technologies**: Provided oversight of the Group's adoption of emerging technology and continued AI enablement, specifically tracking AI Ignite, Distributed Ledger Technology (DLT), Embedded Finance, Cross-Border Corridors, and CRM Ecosystem Modernisation.
    - **Market Trends**: Deliberated on financial services digital disruption, identified the strategic impact of IT innovations on the Group's digital roadmap.
    - **Digital Onboarding**: Monitored the implementation, observations, and mitigation controls for Electronic Know-Your-Customer (e-KYC) and Electronic Know-Your-Business (e-KYB) platforms.

3. Technology Risk

    - **Cyber Resilience Strategy**: Provided oversight of the 5-Year information security roadmap and anti-fraud measures including simulated phishing campaigns.
    - **Security Health Tracking**: Monitored the Bank's cybersecurity posture against BNM FinTIP ratings, BNM Cyber Resilience Maturity Assessment (CRMA) scores, and BNM Cyber Drills readiness.
    - **Threat Assessment & Remediation**: Governed results from Independent Compromise Assessments on network endpoints, access controls, and servers, as well as critical patch development activities.
    - **Third-Party Risk**: Governed risks associated with IT outsourcing and insourcing arrangements, alongside the performance evaluations of critical technology service providers.

4. Regulatory and IT Governance

    - **Risk Appetite Review:** Reviewed the Risk Appetite Statement of Technology Risk for the FY2025/2026.
    - **BNM RMiT Gap Analysis**: Monitored compliance status and action items concerning the BNM RMiT Policy, including the outcomes of industry dialogues regarding the RMiT Exposure Draft. Reviewed the revised BNM RMiT Policy, issued on 28 November 2025, and conducted a gap analysis across its 228 requirements, alongside a Network Resilience Assessment based on the 24 RMiT directives.
    - **Policy and Audit Governance**: Governed various IT-related policies and guidelines; reviewed the Board Policy on Cyber Resilience. Monitored the remediation of areas identified by BNM Onsite reviews, Group Internal Audit, and External Auditors.

5. IT Operational Resilience

    - **System Stability**: Oversighted service level agreement (SLA) monitoring, production incident trends, and overall system stability.
    - **Technology Obsolescence**: Reviewed strategies to manage and mitigate risks associated with technology obsolescence.
    - **Technology Operations Transformation ("TOT")**: Monitored progress of the TOT Program implementation.
    - **Systems Resilience Assessment:** Reviewed the Business Continuity Management, including system downtime and disaster recovery plans.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION D. INDEPENDENCE

The Board takes cognisance of the provisions of the MCCG, which states that the tenure of an Independent Director should not exceed a cumulative term of 9 years and upon completion of the 9 years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. It further states that in the event the Board wishes to retain an Independent Director who has served a cumulative term of 9 years and above, shareholders' approval shall be annually sought with justification through a two-tier voting process.

The tenure of all the Independent Directors on the Board of the Bank does not exceed 9 years. The Independent Directors have declared their independence, and the NRC and the Board have determined, at the annual assessment carried out, that the Independent Directors have continued to bring independent and objective judgment to Board deliberations and decision making.

The Bank has in place a policy in relation to the tenure for Independent Directors of the Bank ("Tenure Policy") under the F&P Policy for Directors and CEO of the Bank. Pursuant to the Tenure Policy, the tenure of an Independent Director shall not exceed a cumulative term of 9 years from the date of his or her first appointment in the Bank. Upon completion of the 9 years, an Independent Director shall retire on the expiry date of his or her term of office approved by BNM.

SECTION E. COMMITMENT

The Directors are aware of their responsibilities and devote sufficient time to carry out such responsibilities. In line with the MMLR of Bursa, Directors are required to comply with the restrictions on the number of directorships in public listed companies. Directors provide notifications to the Board for acceptance of any new Board appointments. This ensures that their commitment, resources and time are focused on the affairs of the Bank to enable them to discharge their duties effectively. Board meetings are scheduled a year ahead in order to enable full attendance at Board meetings. The Board meets at least eight (8) times a year and any additional meetings may be convened on an ad-hoc basis as and when necessary. Where appropriate, decisions are also taken by way of Directors' Circular Resolutions. Directors are required to attend at least 75% of Board meetings held in each financial year, pursuant to the BNM CG Policy.

All Board members are supplied with information in a timely manner. Board reports are circulated electronically prior to Board and Board Committee meetings and the reports provide, amongst others, financial and corporate information, significant operational, financial and corporate issues, updates on the performance of the Bank and of the Group and management's proposals which require the approval of the Board.

All Directors have access to the advice and services of a qualified and competent Company Secretary to facilitate the discharge of their duties effectively. The Company Secretary is qualified to act under Section 235 of the Companies Act 2016. The Company Secretary supports the effective functioning of the Board, provides advice and guidance to the Board on policies and procedures, relevant rules, regulations and laws in relation to corporate secretarial and governance functions and facilitates effective information flow amongst the Board, Board Committees and senior management. All Directors also have access to the advice and services of the internal auditors and in addition, to independent professional advice, where necessary, at the Bank's expense, in consultation with the Chairman or the GMD/CEO of the Bank.

At Board meetings, active deliberations of issues by Board members are encouraged and such deliberations, decisions and conclusions are recorded by the Company Secretary accordingly. Matters arising at Board meetings are decided by a majority of votes. Any Director who has, or potentially has, directly or indirectly, an interest in a material transaction or material arrangement or conflict of interest situation shall not be present at the Board meeting when the material transaction or material arrangement or conflict of interest situation is being deliberated by the Board.

The Board met eight (8) times for the FY2026 with timely notices of issues to be discussed. Details of attendance of each Director are as follows:

Director	Attendance
YBhg Tan Sri Quek Leng Chan	**8/8**
Mr Tan Kong Khoon	**8/8**
Mr Kwek Leng Hai	**8/8**
Ms Lau Souk Huan	**8/8**
Ms Cheong Soo Ching	**8/8**
YBhg Datuk Manharlal A/L Ratilal	**8/8**
Encik Alan Hamzah Sendut[1]	**5/5**
Puan Marzida binti Mohd Noor[2]	**2/2**

Note:
(1) Appointed as Director with effect from 28 October 2025
(2) Appointed as Director with effect from 6 April 2026

The Bank recognises the importance of continuous professional development and training for its Directors.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION E. COMMITMENT (CONTINUED)

The Bank is guided by a Directors' training policy, which covers an Induction Programme and Continuing Professional Development ("CPD") for Directors of the Bank. The Induction Programme is organised for newly appointed Directors to assist them to familiarise and to get acquainted with the Bank's business, governance process, roles and responsibilities as Director of the Bank. The CPD encompasses areas related to the industry or business of the Bank, governance, risk management and regulations through a combination of courses and conferences. A training budget is allocated for Directors' training programmes.

All Directors of the Bank have completed the Mandatory Accreditation Programme ("MAP") Part I and MAP Part II: Leading for Impact.

The Bank regularly organises in-house programmes, briefings and updates by its in-house professionals. The Directors are also encouraged to attend seminars and briefings in order to keep themselves abreast with the latest developments in the business environment and to enhance their skills and knowledge. Directors are kept informed of available training programmes on a regular basis.

The Bank has prepared for the use of its Directors, a Director Manual which highlights, amongst others, the major duties and responsibilities of a Director vis-a-vis various laws, regulations and guidelines governing the same.

In assessing the training needs of Directors, the Board has determined that appropriate training programmes covering matters on corporate governance, finance, legal, risk management, information technology, cyber security, sustainability, internal control and/or statutory/regulatory compliance, be recommended and arranged for the Directors to enhance their contributions to the Board.

During the FY2026, the Directors received regular briefings and updates on the Bank's businesses, strategies, operations, risk management and compliance, internal controls, corporate governance, finance, sustainability, cybersecurity and AI, and any changes to relevant legislation, rules and regulations from in-house professionals. In-house programmes were also organised for the Directors and senior management of the Bank.

The Directors of the Bank have also attended various programmes and forums facilitated by external professionals in accordance with their respective needs in discharging their duties as Directors.

During the FY2026, the Directors of the Bank, collectively or on their own, attended various training programmes, seminars, briefings and/or workshops including:

- BNM - Annual Dialogue with CEO and Chairpersons of Banking Institutions and Industry Partners
- BNM - Annual Dialogue with FIDE FORUM Members
- Bank of Chengdu - Training Programme for Controlling Shareholders, Actual Controllers, Directors, Supervisors and Senior Management of Listed Companies in Sichuan Province
- Ernst & Young PLT - Double Materiality Training and Focus Session
- FIDE Forum - Economic Outlook for 2026: Measured Optimism with Strategic Caution - What more should industry leaders know?
- FIDE Forum - From Oversight to Advantage: How Boards Can Accelerate Artificial Intelligence Adoption in Malaysia's Financial Institutions
- FIDE Forum - What the Board must now do differently under the 2025 Risk Management in Technology (RMiT)
- Guoco Group Limited - 2025 Cyber Incident Trends: What Your Business Needs to Know
- Guoco Group Limited - AI: A Brave New World - China Formulates New AI Global Governance Action Plan and Issues Draft Ethics Rules and AI Labelling Rules
- Guoco Group Limited - AI and the Boardroom: Getting on the Front Foot
- Guoco Group Limited - AI Provisions in Technology Contracting: Keeping up With the Evolving Regulatory Landscape
- Guoco Group Limited - Board Evaluation Guide
- Guoco Group Limited - Corporate Governance Guide for Boards and Directors
- Guoco Group Limited - Sustainability Policy Update and Industry Insights for Quarter 1, 2026

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION E. COMMITMENT (CONTINUED)

- Guoco Group Limited - Hong Kong Exchanges and Clearing Limited ESG Academy seminar: Risk Management and Internal Controls - From Awareness to Action
- Guoco Group Limited - International Best Practice on Director-Related Escalation and Information Flow
- Guoco Group Limited - Listing Regulation and Enforcement
- Guoco Group Limited - Practical Tips to Effective Risk Management and Internal Control Systems
- Guoco Group Limited - The Revised Corporate Governance Code: Risk Management and Internal Controls
- HLB - Anti-Bribery and Corruption
- HLB - Anti-Money Laundering, Counter Financing of Terrorism and Targeted Financial Sanctions
- HLB - Code of Conduct and Ethics
- HLB - Cyber Security and Cyber Risk Management
- HLB - Data Protection and Banking Secrecy
- HLB - Fair Treatment of Financial Customers
- Hong Leong Financial Group Berhad (“HLFG”) - AI and Agentic AI
- HLFG - Section 17A of Malaysian Anti-Corruption Commission Act 2009 on Corporate Liability Provision and Guidelines on Adequate Procedures
- HLFG and Hong Leong Capital Berhad - Agentic AI in Risk Management
- Hong Leong Foundation - Hong Leong Foundation Mentorship Programme
- Hong Leong Investment Bank Berhad - Anti-Money Laundering/Countering Financing of Terrorism/ Countering Proliferation Financing and Targeted Financial Sanctions: Driving Compliance Through Innovation and Integration
- Huawei Cloud APAC - Huawei Cloud AI Ecosystem Summit APAC (Accelerate Intelligence, Ignite Smarter ASEAN)
- Institute of Corporate Directors Malaysia ("ICDM") - Board Intelligence in the Age of AI
- ICDM - Fiduciary Compass for Modern Boards
- ICDM - MAP Part II: Leading for Impact
- Lam Soon (Hong Kong) Limited - Key Developments of the ESG Trends and Industry Practices
- Lam Soon (Hong Kong) Limited - Sustainability Policy Trends and Industry Quarterly Updates
- Lam Soon (Hong Kong) Limited - Sustainability Policy Update and Industry Insights
- PricewaterhouseCoopers (PwC) Malaysia - Emerging Trends in Sustainability
- Securities Commission Malaysia (“SC”) - Audit Oversight Board's Conversation with Audit Committees: Governance, Accountability and the Cost of Silence
- SC - Audit Oversight Board's Conversation with Audit Committees: Navigating the National Sustainability Reporting Framework: Insights on Implementation
- SC and Bursa Malaysia - My Value Up Programme
- Securities Industry Development Corporation (“SIDC”) - SIDC-MACFE Fraud Conference 2026: Combating Digital Threats and Fraud to Safeguard Organisational and Market Integrity
- TAB Global - The Asian Banker Summit 2026: Imagining the AI Bank
- Tenaga Nasional Berhad - Seminar for Board of Directors on Anti-Bribery Management Systems
- Tenaga Nasional Berhad - The Energy Transition Conference 2026
- Tenaga Nasional Berhad - United Kingdom's Future of Utilities Summit 2026

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION F. STRENGTHENING CORPORATE GOVERNANCE CULTURE

OUR APPROACH TO CORPORATE GOVERNANCE

Nurturing a strong corporate governance culture encompasses not only the policies or processes that we already have in place but also training that is practical and based on everyday scenarios that can be applied in an employee's work. Our approach to corporate governance includes the following:

1 Code of Conduct & Ethics

The HLB Group Code of Conduct & Ethics ("HLBG CoCE") ensures that our employees commit to a high standard of professionalism and ethics in the conduct of our business and professional activities. The HLBG CoCE is fundamental to align employee behaviour, drive a high performance culture bankwide and achieve business results.

2 Policies & Processes

In addition to the HLBG CoCE, the Talent Management Board Policy, Remuneration Board Policy and the Learning & Development Management Policy aim to promote a culture of compliance underpinned by the Bank's values, whilst striking a balance between prudent risk-taking and reward.

3 Continuous Development

Continuously strengthening corporate governance through cumulative learning across all touchpoints: key learnings from Risk, Compliance Governance and Disciplinary Committee Meetings, feedback from customer complaint management channels, BUCO and BUCR meetings and bankwide/ divisional learning for employees.

HLBG CoCE

Employees are guided by HLB Group's values, which seek to ensure that we conduct business with honour to build trust *(Honour)*; we embed strong ESG values in our operations and strengthen our commitment to customers, employees, communities we work in and CSR activities *(Here For The Long Term)*; we embrace change, take smart risks and challenge the status quo when warranted *(Innovation)*. At the same time, employees are encouraged to consistently demonstrate reliable performance, treat people with respect and seek win-win relationships *(Collaborate To Win)* and to think like an entrepreneur to seek opportunities *(Entrepreneurship)*.

The Bank's values, together with the seven principles stated in the HLBG CoCE, is fundamental to align employee behaviour, drive a high performance culture bankwide and achieve business results. Specifically, in upholding the value of 'Here for the Long Term', the HLB Group commits to a high standard of professionalism and ethics in the conduct of our business and professional activities as set out in the HLBG CoCE.

The HLBG CoCE is applicable to:

- All employees who work in the HLB Group across the jurisdictions in which we operate – including but not limited to permanent, part-time and temporary employees; and
- Any other persons permitted to perform duties or functions within the HLB Group – including but not limited to contractors, secondees, interns, industrial attachment and agency staff.

As the HLBG CoCE forms part of the terms and conditions of employment, our employees are required to adhere to a high standard of professionalism and ethics in the conduct of their business, professional activities and personal lives, which might otherwise reflect poorly on the reputation of the HLB Group.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION F. STRENGTHENING CORPORATE GOVERNANCE CULTURE (CONTINUED)

OUR APPROACH TO CORPORATE GOVERNANCE (CONTINUED)

HLBG CoCE (continued)

Principles

There are seven key pillars to the HLBG CoCE:

Principle 1
Competence

The HLB Group is committed to ensuring that its employees develop and maintain the relevant knowledge, skills and behaviour to ensure that our activities are conducted professionally and proficiently.

Our employees must possess and maintain the skills and knowledge needed to perform their roles in accordance with the standards required by the HLB Group to meet its legal, compliance and regulatory obligations.

Principle 2
Compliance

The HLB Group operates in a highly regulated environment and our employees are responsible to ensure that they fully understand and comply with all applicable laws, regulations and regulatory requirements.

Principle 3
Integrity

The HLB Group's Vision, Mission and Values identifies a strong values-based culture to guide decisions, actions and interactions with stakeholders as a key enabler for the success of the HLB Group. The HLB Group relies on our employees to practise sound decision-making with integrity and take actions that will preserve our HLB Group's values.

Principle 4
Fairness

A core mission of the HLB Group is to help our clients succeed through simple, relevant, personal and fair banking. We must act responsibly and be fair and transparent in our business practices, including treating our colleagues, customers and business partners with respect. We must consider the impact of our decisions and actions on all stakeholders.

Principle 5
Confidentiality

The HLB Group is committed to providing a safe, reliable and secured banking environment and experience for our customers.

Principle 6
Objectivity

Employees must not allow any conflict of interest, bias or undue influence of others to override their business and professional judgment. Employees must not be influenced by friendships or association in performing their role.

Employees are to exercise good judgment at all times and avoid any actions that would create an actual, perceived, or potential conflict.

Principle 7
Work Environment

The HLB Group is committed to provide a safe and non-violent working environment and will remove any unacceptable behaviours from the workplace. The HLB Group will not tolerate any form of discrimination, harassment (including sexual harassment) or intimidation.

In addition, the HLB Group is committed to reduce the effect of our operations on the environment so that we are able to build our franchise in a safe and healthy environment. We aim to do this by managing the resources we use across the HLB Group and raising staff awareness about the importance of caring for the environment.

The HLB Group will be mindful of its activities with employees, business partners and the community we operate within to ensure human rights are safeguarded. Where there are adverse impacts, we are committed to addressing these.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION F. STRENGTHENING CORPORATE GOVERNANCE CULTURE (CONTINUED)

OUR APPROACH TO CORPORATE GOVERNANCE (CONTINUED)

Policies & Processes

In addition to the HLBG CoCE, the Talent Management Board Policy, Remuneration Board Policy and the Learning & Development Management Policy aim to promote a culture of compliance underpinned by the Bank's values, whilst striking a balance between prudent risk-taking and reward. The policies are designed to create and cultivate a highly engaged workforce, focused on delivering strategic goals. This highly engaged workforce is expected to maintain high standards of responsibility, professional conduct and behaviour, and are able to be role models to other employees and industry peers.

Policy Name	Purpose
HLBG Code of Conduct & Ethics	The HLBG CoCE ensures that our employees commit to a high standard of professionalism and ethics in the conduct of our business and professional activities. All employees are required to attest to the CoCE on an annual basis.
Talent Management Board Policy	The Talent Management Policy aims to set out our talent management strategy in recruiting, developing, retaining talent and succession planning to support and drive the execution of the business strategy with the ambition to build an organisation that builds talent to cater for our needs from within.
Learning & Development Management Policy	The Learning & Development ("L&D") Policy sets out principles that will govern the Bank's L&D strategy and execution plans. The aim is to cultivate a highly engaged workforce, focused on delivering strategic goals, maintain high standards of responsibility, professional conduct and behaviour, and are role models to other employees and industry peers.
Remuneration Board Policy	The Remuneration Policy aims to maintain a competitive remuneration strategy, enabling us to attract and retain talent and at the same time balance risk and performance outcomes, with an eye on prudent risk-taking.
Whistleblowing Policy	The Bank's Whistleblowing Policy provides a structured channel for all employees of the HLB Group and any other persons providing services to, or having a business relationship with the HLB Group, to report genuine concerns about any improper conducts or wrongful acts committed within the HLB Group. The Whistleblowing Policy is published on the Bank's Website.

Continuous Development

The Bank's efforts to continuously strengthen corporate governance is the result of cumulative efforts across every touchpoint. Key learnings from each Risk and Compliance Governance Committee (RCGC) meeting is summarised and circulated to all attendees, BUCRs (Business Unit Compliance Representative), BUCOs (Business Unit Compliance Officer) and respective business units to act upon. Disciplinary Committee Key Learnings which bring to life cases tabled to the Disciplinary Committee for violation of the HLBG CoCE are also disseminated to bankwide employees on a monthly basis. BUCOs meet with Group Compliance and Employee Relations teams on a bi-monthly basis to ensure a unified and consistent approach to compliance training throughout the Bank. The primary goal is to align on compliance priorities, develop training programs that address potential risks for all employees, and establish governance for these initiatives. These meetings also facilitate the sharing of best practices to enhance the Bank's overall compliance competency and track the progress of mandatory training completion. Our online and offline customer touchpoints (on social media and via the feedback form on our website and via our branches and contact centre respectively) also serve to provide feedback directly. On bankwide learning, divisions such as Group Technology and Sustainability create content on key topics of interest, in addition to Group Compliance topics and videos available on Workday for huddles and the quarterly Mandatory eLearning modules. The seven pillars of the HLBG CoCE, consisting of Competence, Compliance, Integrity, Fairness, Confidentiality, Objectivity and Work Environment, provide further guidance to our people and we ensure that we have the necessary development interventions to support each pillar.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION G. ACCOUNTABILITY AND AUDIT

The Bank has put in place a framework of processes whereby Board committees provide oversight on critical processes of the Bank's reporting of financial statements, in order to ensure that accountability and audit are integral components of the said processes.

I. FINANCIAL REPORTING

The Board has a fiduciary responsibility to ensure the proper maintenance of accounting records of the Group. The Board receives the recommendation to adopt the financial statements from the BAC, which assesses the integrity of financial statements with the assistance of the external auditors.

II. RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for maintaining a system of internal controls which covers financial and operational controls and risk management. This system provides reasonable but not absolute assurance against material misstatements, losses and fraud.

The BRMC is delegated with the responsibility to provide oversight of the Bank's management of critical risks that the Group faces while the BAC is delegated with the responsibility to review the effectiveness of internal controls implemented in the Bank.

The Statement on Risk Management and Internal Control as detailed under Section J of this Statement provides an overview of the system of internal controls and risk management framework of the Group.

III. RELATIONSHIP WITH AUDITORS

The appointment of external auditors is recommended by the BAC, which also reviews the remuneration of the external auditors. The BAC reviews the suitability and independence of the external auditors annually. In this regard, an annual assessment is conducted by the BAC to evaluate the performance, independence and objectivity of the external auditors prior to making any recommendation to the Board on the re-appointment of the external auditors.

The Bank also has a Policy on the Use of External Auditors for Non-Audit Services to govern the professional relationship with the external auditors in relation to non-audit services. Assessment will be conducted by the BAC for non-audit services to ensure that the provision of non-audit services does not interfere with the exercise of independent judgment of the external auditors.

During the financial year under review, the external auditors met with the BAC to:

- present the scope of the audit before the commencement of audit; and
- review the results of the audit as well as the management letter after the conclusion of the audit.

The BAC also had two (2) separate sessions with the external auditors without the presence of Executive Directors and management.

SECTION H. DISCLOSURE

The Board adopts a comprehensive, accurate and timely approach in compliance with the MMLR and the Corporate Disclosure Guide of Bursa Malaysia. This approach aims to raise awareness and provide guidance to the Board and management on the Group's disclosure requirements and practices.

All timely disclosure and material information documents will be posted on the Bank's Website after release to Bursa.

SECTION I. SHAREHOLDERS

I. DIALOGUE BETWEEN COMPANIES AND INVESTORS

The Board acknowledges the importance of regular communication with shareholders and investors via the annual reports, circulars to shareholders and quarterly financial reports and the various announcements made during the year, through which shareholders and investors can have an overview of the Group's performance and operation.

Notices of general meetings and the accompanying explanatory notes are provided within the prescribed notice period on the Bank's Website, Bursa's website, in the media and by post or email to shareholders. This allows shareholders to make the necessary arrangements to attend and participate in general meetings either in person, by corporate representative, by proxy or by attorney.

Shareholders can access the Bank's Website for information such as the Board Charter, TORs of Board Committees, corporate information, announcements/ press releases/briefings, financial information, products information and investor relations. The Minutes of the AGM are published on the Bank's Website.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION I. SHAREHOLDERS (CONTINUED)

I. DIALOGUE BETWEEN COMPANIES AND INVESTORS (CONTINUED)

The Board has identified Ms Lau Souk Huan, the Chairman of the BAC, as the INED of the Board to whom concerns may be conveyed, and who would bring the same to the attention of the Board.

In addition, shareholders and investors have a channel of communication with the following designated representatives to direct queries and provide feedback to the Group:

GENERAL MANAGER, COMMUNICATION & CSR
Tel No. : 03-2081 8888 ext. 61914
Fax No. : 03-2081 7801
e-mail address : capr@hlbb.hongleong.com.my

HEAD, CORPORATE FINANCE & INVESTOR RELATIONS
Tel No : 03-2081 2974
Fax No. : 03-2081 8924
e-mail address : IR@hlbb.hongleong.com.my

II. AGM

The AGM provides an opportunity for the shareholders to seek and clarify any issues and to have a better understanding of the Group's performance. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Senior management and the external auditors are also available to respond to shareholders' queries during the AGM.

All Directors of the Bank and the GMD/CEO attended the last AGM held on 27 October 2025 to engage with shareholders and address issues of concern raised by the shareholders.

Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa, all resolutions tabled at the AGM held on 27 October 2025 were put to a vote by way of a poll and the voting results were announced at the meeting and through Bursa. The Bank had adopted electronic voting for the conduct of poll on all resolutions at the AGM and provided e-lodgement channel for shareholders to lodge their form of proxy electronically to the Bank.

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

I. INTRODUCTION

The Board recognises that the practice of good governance is an important mandate. The Board has established the BAC, BRMC and BITC to ensure that the Bank maintains a sound system of internal controls and good risk management practices that foster good governance. The processes for assessments of risks and controls are regularly reviewed in accordance with the guidelines on the 'Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers'.

This Statement does not cover joint ventures and associated companies where the risk management and internal control systems of such companies has been managed by their respective Management teams and Board of Directors.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

II. BOARD RESPONSIBILITIES

The Board acknowledges its overall responsibility for the risk management and internal control environment and its effectiveness in safeguarding shareholders' interests and the Bank's assets. The risk management and internal control framework is designed to manage rather than to eliminate the risk of failure in the achievement of goals and objectives of the Bank, and therefore only provide reasonable assurance and not absolute assurance, against material misstatement or loss.

The system of risk management and internal control instituted throughout the Bank is updated periodically to align with the dynamic changes in the business environment as well as any process improvement initiatives undertaken. The Board confirms that its Management team responsibly implements the Board policies, Management policies and standard operating procedures ("SOP") on risk management, compliance and internal control.

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The organisational structure of the Bank clearly defines the lines of accountability and responsibility. On-going risk assessment and evaluation are an integral part of the Bank's strategic planning cycle and are responsive to the business environment and opportunities. Management committees are appropriately set up to ensure proper utilisation and investment of the Bank's assets for effective risk return rewards or to limit losses. The Group Risk Management ("GRM") and Group Compliance ("GC") divisions have implemented an enterprise-wide risk management framework to inculcate continuous risk and regulatory compliance awareness, and the understanding of procedures and controls, thus improving the overall control environment.

Operationally, the Bank establishes multiple lines of defence to effect a robust control framework. At the first level, the operating business and support units are responsible for the day-to-day management of risks inherent in the various business activities. Business compliance and operational risk units are set up in the various lines of business and support units. They oversee the day-to-day compliance to policies, regulatory requirements, business and process controls. At the second level, GRM is responsible for setting the risk management framework, reviewing portfolio risks, and developing tools and methodologies for the identification, measurement, monitoring, and control of risks; whereas GC is responsible for ensuring that controls to manage regulatory compliance, financial crime, bribery and corruption risks are adequate and operating as intended. At the third level, the Group Internal Audit division ("GIAD") complements GRM and GC by monitoring and evaluating the effectiveness of internal control systems. It also provides an independent perspective and assessment on the adequacy and effectiveness of the risk management and compliance policies, process, governance and systems.

The above is depicted in the following diagram:

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

(a) Risk Management

Managing risks is an integral part of the Bank's overall business strategy. It involves a process of identifying, assessing and managing risks and uncertainties that could inhibit the Bank's ability to achieve its strategy and strategic objectives.

Risk governance oversight is underpinned by the core pillars of risk culture, appetite, policies, surveillance, escalation and capacity. Above all, the approaches need to be relevant, forward looking and sustainable.

The Bank's risk management framework incorporates the components depicted in the diagram below:

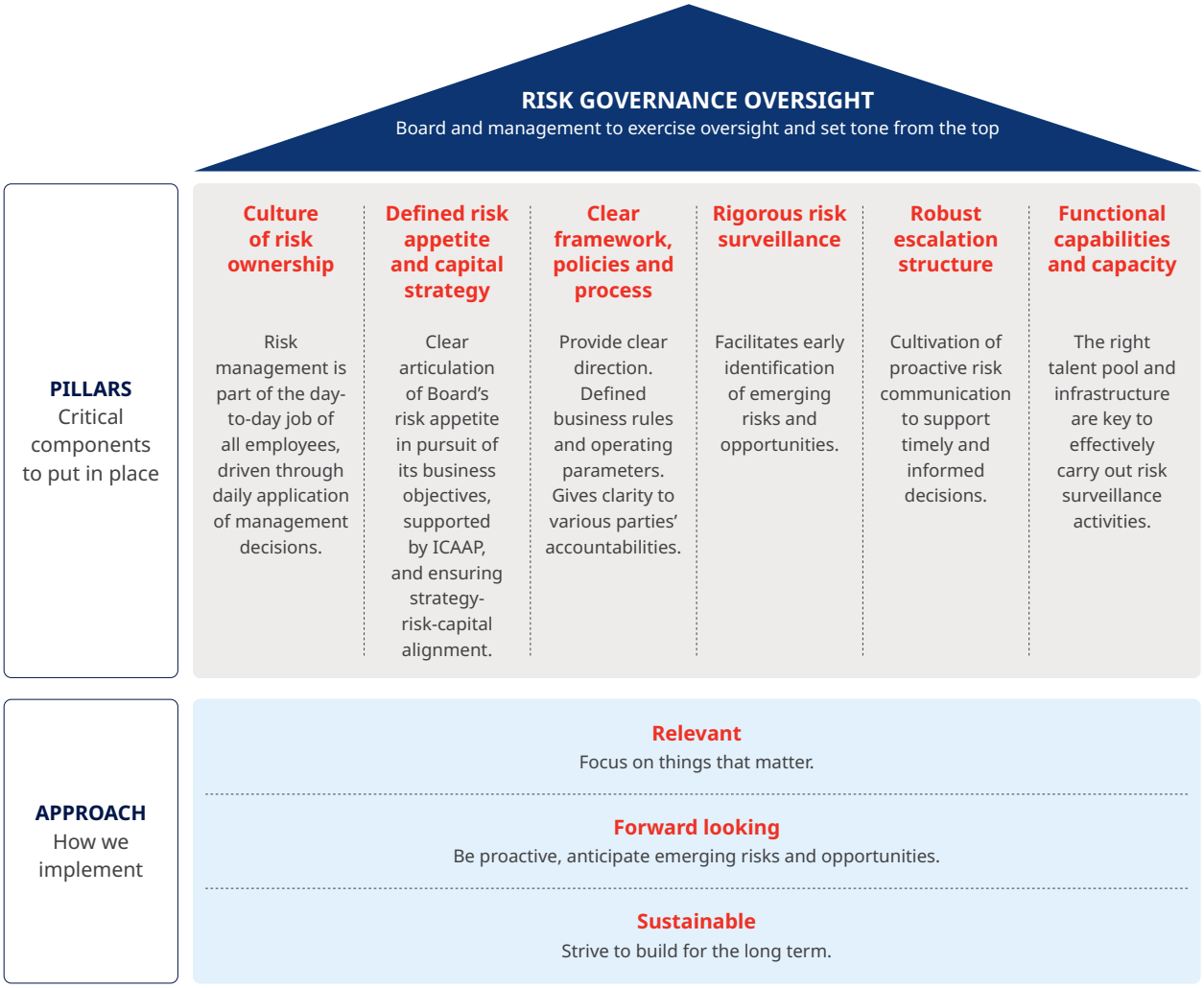


Figure 1: Risk Management Framework

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

(a) Risk Management (Continued)

In addition, the risk management framework is effected through an organisational construct and escalation structure as depicted below:

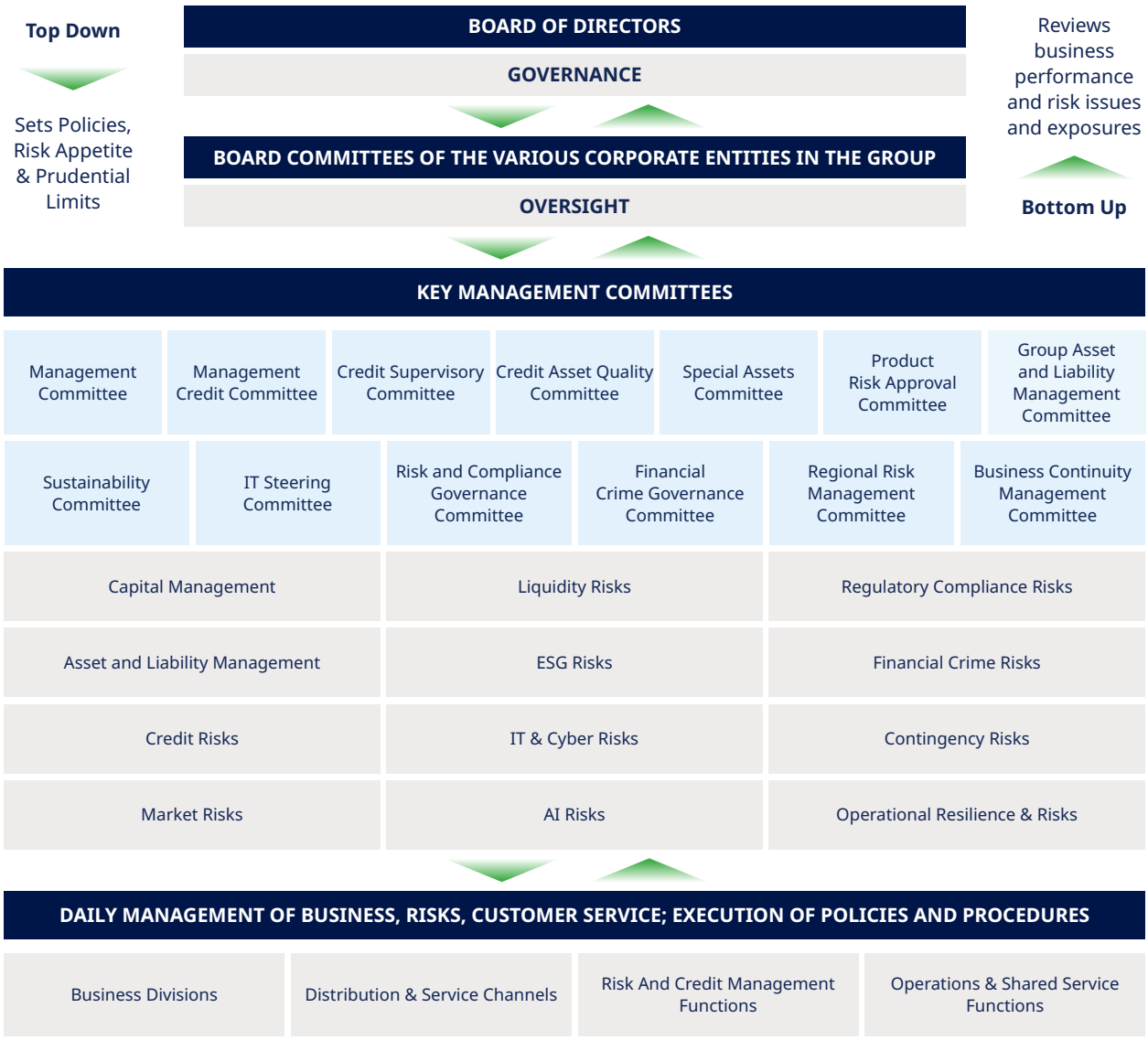


Figure 2: Risk Management Structure

The Board has the overall responsibility to ensure there is proper oversight of the management of risks in the Bank. The Board sets the risk appetite and tolerance level, and allocates the Bank's capital that is consistent with the Bank's overall business objectives and desired risk profile. GRM monitors and reports the Bank's Credit, Market, Liquidity, Operational and IT Risks. GC identifies, assesses, monitors and reports regulatory compliance, financial crime, bribery and corruption risks matters in addition to advising, providing guidance and training on the relevant risk areas. These risks are presented to BRMC regularly.

The BRMC deliberates and evaluates the reports prepared by GRM and GC, and provides updates to the Board, and where appropriate, makes necessary recommendations to the Board.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

(a) Risk Management (Continued)

HONG LEONG BANK'S KEY RISKS

TYPE OF RISK	MITIGATING ACTIONS TAKEN / STRATEGY
CREDIT RISK Credit Risk arises as a result of customers or counterparties not being able to or willing to fulfill their financial and contractual obligations as and when they fall due.	• The Bank has established a credit risk management framework (via the Board Policy on Credit Risk Governance) to ensure that exposure to credit risk is kept within the Bank's financial capacity to withstand potential future losses. Financing activities are also guided by internal credit policies. The above policies are subject to reviews and enhancements, at least on an annual basis. • Credit portfolio strategies are developed to achieve a desired portfolio risk tolerance level and sector concentration distribution. • To assess the credit risk of retail customers, the Bank employs risk scoring models and lending templates that are designed to assess the credit worthiness and the likelihood of the obligors to repay their debts. • To assess the credit risk of SME, commercial and corporate customers, they are evaluated based on the assessment of relevant factors such as the customer's financial position, industry outlook, types of facilities and collaterals offered; and are assigned with a credit rating. • The Bank has a comprehensive credit approving process. While the business units are responsible for credit origination, the credit decisioning function rests mainly with the Credit Evaluation Departments, the MCC and the CSC. The Board delegates the approving and discretionary authority to the MCC and various personnel based on job function and designation. • For any new products/product variation, Risk and Control Assessment Questionnaire ("RCAQ") also forms part of the new product/product variation sign-off process to ensure that the new product complies with the appropriate policies and guidelines, prior to their introduction. • Credit risk reports are presented to the relevant Management and Board level committees. Such reports identify adverse credit trends and asset quality to enable the Bank to take prompt corrective actions and/or take appropriate risk-adjusted decisions. • GRM conducts independent credit reviews on a portfolio basis, which cover the Personal Financial Services, Business and Corporate Banking, Global Markets, Financial Institution's portfolios and portfolios of overseas subsidiaries and branches, providing an independent and where appropriate, countervailing perspective on credit risk management issues including business performance, credit decisions, overall assets quality and credit operations robustness. • In addition, the Bank also conducts periodic stress testing of its credit portfolios to ascertain the credit risk impact to capital under the relevant stress scenarios.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

(a) Risk Management (Continued)

HONG LEONG BANK'S KEY RISKS	
TYPE OF RISK	**MITIGATING ACTIONS TAKEN / STRATEGY**
OPERATIONAL RESILIENCE & RISK Operational Resilience and Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events which also include outsourcing and business continuity risks.	• Management oversight on Operational Risk Management ("ORM") matters is effected through the Risk and Compliance Governance Committee ("RCGC") whilst Board oversight is effected through the BRMC. • The Bank's ORM strategy is based on a framework of continuous improvements, good governance structure, policies and procedures as well as the employment of risk mitigation strategies. The objective is to create a strong risk and internal control culture by ensuring awareness of the significance of operational risk, its methodology of identification, analysis, assessment, control and monitoring. • The Bank adopts ORM tools such as loss event reporting, risk and control self-assessment and key risk indicators to manage operational risks and are used to assess risk by taking into consideration key business conditions, strategies and internal controls.
MARKET RISK Market Risk is the risk of loss in financial instruments or the balance sheet due to adverse movements in market factors such as interest and exchange rates, prices, spreads, volatilities, and/or correlations.	• Market risk is primarily managed through various risk limits and controls following an in-depth risk assessment and review. The types and level of market risk that the Bank is able and willing to take in pursuit of its business objectives and risk-taking strategies are used as a basis for setting market risk appetite for the Bank. • Market risk limits, the monitoring and escalation processes, delegation of authority, model validation and valuation methodologies are built into the Bank's market risk policies, which are reviewed and concurred by the Group Asset and Liability Management Committee ("Group ALCO"), endorsed by the BRMC and approved by the Board. • Regular market risk stress tests are conducted on the trading book to measure the loss vulnerability under stressed market conditions.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

(a) Risk Management (Continued)

HONG LEONG BANK'S KEY RISKS	
TYPE OF RISK	**MITIGATING ACTIONS TAKEN / STRATEGY**
LIQUIDITY RISK Liquidity risk is the risk of financial loss arising from the inability to fund increases in assets, inability to liquidate assets in a timely manner and/or inability to meet financial obligations as they fall due.	• The Bank adopts a prudent liquidity management approach that includes establishing comprehensive policies and procedures, implementation of risk controls which are supported by periodic reviews and monitoring. The liquidity risk policies and governance are reviewed by Group ALCO, endorsed by the BRMC and approved by the Board. • The Bank seeks to manage liquidity to ensure that our obligations will continue to be honored under normal as well as adverse circumstances. The key elements of liquidity risk management include proactive monitoring and management of cashflow, maintenance of high-quality liquid assets, diversification of funding sources and maintaining a liquidity compliance buffer to meet any unexpected cash outflow. • The Bank strives to develop a diversified funding base with access to funding sources across retail and wholesale channels. The funding strategy is anchored on the strength of our core deposit franchise. The Bank also designs and conducts regular stress test programmes in accordance with the board-approved risk appetite and risk management policies. The appropriate management action plans would be developed and recommended to the Board if there are any potential vulnerabilities identified during the stress test exercise.
IT & CYBER RISK Information Technology Risk is the risk of technological failure which may disrupt business operations such as system defects or service outages. This also includes cyber security risk, which is the risk of possible threat that might exploit a vulnerability to breach system security and therefore cause possible harm.	• New technology initiatives are subjected to a rigorous evaluation process which assesses the potential risks and readiness of the initiative prior to its implementation. • The Bank performs continuous monitoring on system performance to ensure minimal system disruption, while ensuring that redundancies in IT infrastructure and Disaster Recovery Plans are regularly tested. • In addition to continuously improving the Bank's cyber resilience by upgrading technology capabilities to mitigate cyber threats, cyber risks are also managed by closely monitoring key risk metrics and progressively enhancing its cyber threat intelligence gathering capabilities to improve the Bank's situational awareness. • Management oversight on IT and cyber risk management matters are effected through the IT Steering Committee ("ITSC") and the Risk and Compliance Governance Committee ("RCGC") whilst Board oversight is effected through the Board Information Technology Committee ("BITC").

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

(a) Risk Management (Continued)

HONG LEONG BANK'S KEY RISKS

TYPE OF RISK	MITIGATING ACTIONS TAKEN / STRATEGY
DATA LOSS PROTECTION RISK Data Loss Protection Risk is the risk of not being able to detect and prevent confidential data from being leaked out of the Bank for unauthorised use.	• The Bank enforces a comprehensive data governance policy and data loss prevention (DLP) framework to classify, monitor, and protect sensitive information across all operational and digital channels. • Robust technical controls, such as strict access management, data encryption, and endpoint security monitoring, are continuously deployed to detect and prevent unauthorized data transmission or internal misuse. • Employees undergo regular data protection and privacy awareness training to foster a strong risk culture and ensure they understand their role in safeguarding the Bank's information assets. • Management oversight on data protection matters is effected through the IT Steering Committee ("ITSC") for technology risks and the Risk and Compliance Governance Committee ("RCGC") for operational risks, whilst Board oversight is effected through the Board Information Technology Committee ("BITC") and the Board Risk Management Committee ("BRMC").
AI RISK AI Risk is the management of risks from rapid AI adoption which may compromise ethical standards, reputation, or operational safety. This includes maintaining a framework rooted in fairness and accountability to protect the Bank's data sovereignty and proprietary workflows while actively mitigating emerging technological threats.	• The Bank manages risks associated with AI adoption through a comprehensive AI risk management framework and policies based on principles of fairness, reliability, privacy and security, transparency, explainability, and accountability. • To navigate the rapid acceleration and inherent risks of AI technologies in the period ahead, the Bank maintains a sustainable and scalable approach to AI adoption, operating strictly within the strategic boundaries of safety, security, and accountability at all times. • The Bank actively manages its AI deployments to preserve data sovereignty and ensure that the critical workflows, distinct operational processes, and proprietary know-how that drive the Bank's competitive edge are protected and not commoditized by outsourcing them entirely to AI. • The Bank remains nimble in monitoring emerging threats beyond cyber security weaknesses that can be exploited by AI, while rigorously managing the reputational, ethical, and customer fair dealing risks associated with AI use. Recognizing AI as an all-of-firm imperative, the Bank emphasizes the continuous uplifting of staff capabilities to effectively control, govern, and leverage artificial intelligence through skills future programs.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

(a) Risk Management (Continued)

HONG LEONG BANK'S KEY RISKS

TYPE OF RISK	MITIGATING ACTIONS TAKEN / STRATEGY
REGULATORY COMPLIANCE RISK Regulatory Compliance Risk is the risk of legal or regulatory sanctions, material financial loss or loss to reputation as a result of failure to comply with laws and regulations.	• The Bank undertakes robust monitoring of developments in laws and regulations and assesses its impact to its processes, where applicable. The assessments are undertaken to identify gaps in existing processes so that actions are taken within defined timeframes to ensure that the Bank is in compliance. • The Bank participates in providing feedback to the regulators and industry through consultation papers and exposure drafts on policy documents and enhancement activities. • Management oversight on regulatory compliance risk is effected through the Management level Risk and Compliance Governance Committee ("RCGC") whilst Board oversight is effected through BRMC.
FINANCIAL CRIME RISK Financial Crime Risk is the risk of legal or regulatory penalties, material financial loss or reputational damage resulting from the failure to comply with applicable laws and regulations relating to Anti-Money Laundering, Counter Financing of Terrorism, Countering Proliferation Financing, Anti-Restricted Activity Financing and Targeted Financial Sanctions requirements.	• In mitigating the risk of financial crime, the Bank undertakes monitoring of developments of laws and regulations and assesses its impact to internal policies, processes and procedures. The Bank leverages on digital automated transactions monitoring and onboarding solutions to strengthen our capabilities in detection, monitoring and reporting of potential suspicious activities. • The Bank continuously maintains robust controls as a gatekeeper to the financial system against Money Laundering, Terrorist Financing, Restricted Activity Financing and Targeted Financial Sanctions risks. • Management oversight on financial crime matters is effected through the Management level Financial Crime Governance Committee ("FCGC"), whilst Board oversight is effected through the BRMC.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

(a) Risk Management (Continued)

HONG LEONG BANK'S KEY RISKS

TYPE OF RISK	MITIGATING ACTIONS TAKEN / STRATEGY
BRIBERY AND CORRUPTION RISK Bribery and Corruption Risk is the risk of offering, paying or receiving a bribe through an officer, employee, subsidiary, intermediary or any third party (individual or corporate) acting on the Bank's behalf.	• The Board approves and monitors the implementation of the Bank's Anti-Bribery and Corruption ("ABC") Programme. The objective of the ABC Programme is to manage the bribery and corruption risks within the Bank. • The Bank ensures that the Management team conducts Anti-Bribery and Corruption risk assessment ("ABC RA") of the overall Bank's operations periodically to identify, analyse, assess and prioritise actions needed to mitigate internal and external bribery and corruption risks. • The ABC policy is communicated to all our employees, who are required to undergo mandatory training and assessment on completion of training in the subject matter. • Clauses relating to ABC have also been incorporated in written agreements to ensure that external parties understand their obligations and abide by the relevant laws and regulations. • Management oversight on bribery and corruption risk is effected through Management level Risk and Compliance Governance Committee ("RCGC") whilst Board oversight of bribery and corruption risk is effected through the BRMC and BAC. The Bank has a Whistleblowing Policy and accompanying procedures in place, where whistleblowing reports can be addressed directly to the Chairman of the BAC.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

(a) Risk Management (Continued)

HONG LEONG BANK'S KEY RISKS

TYPE OF RISK	MITIGATING ACTIONS TAKEN / STRATEGY
ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) RISK Environmental, Social and Governance (ESG) Risk is the adverse impacts of material "Environmental", "Social" and "Governance" risks that could subsequently translate to financial risks and potential losses that could affect the business operations and stability of the Bank. The 'Environmental' factor considers organisational safeguards for the environment, including corporate policies addressing climate change. The 'Social' factor examines how we manage relationships with employees, suppliers, customers and our communities. The 'Governance' factor relates to the stewardship of the organization by its leadership, discharge of the Board and Management's accountabilities in accordance to ethical business practices, and implementation of good internal control frameworks.	• The Bank has policies, principles and codes of conduct to ensure the interests of the Bank are aligned with the interests of stakeholders on responsible lending/ financing. These include assessments to screen for and review environmental and social risks, financial evaluation of existing and potential customers, and the provision of basic banking products to the underserved segment so that they can participate in the financial system. • Credit policies are in place which require sales and credit staff to review the borrowers' compliance with applicable environmental and social laws and review of the same at annual reviews of loan/financing facilities to ensure ongoing compliance. • The Bank manages its environmental footprint through reduction of waste (such as paper and water) and efficient usage of energy. • The Bank evaluates climate-related risks i.e. physical and transition risk to understand the vulnerabilities of the Bank's businesses and operations towards such risks. • The Bank has an independent Tender Review Committee that assesses diligence reviews of suppliers across a number of risks, not just financial strength and operational performance. We take into account considerations on environment and social track record and policies, business continuity plans and cyber security capabilities. Suppliers have to satisfy our zero tolerance for corruption and unfair practices. • Management oversight on sustainability matters is effected through the Management level Sustainability Committee ("SC"), whilst Board oversight is effected through the BRMC.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

(a) Risk Management (Continued)

HONG LEONG BANK'S KEY RISKS

TYPE OF RISK	MITIGATING ACTIONS TAKEN / STRATEGY
CRISIS RELATED RISK Crisis related risk is the risk of loss arising from increased volatility and uncertainty, resulting in impact to the Bank's customers, financial markets and interruption on the Bank's operations. Such loss could arise from disruptive events such as a global pandemic, catastrophic climate change effects, geopolitical tensions and uncertainties surrounding the global economic outlook.	• The Bank has a strategic plan in place to ensure that its operations and services remain fully operational in the event of a crisis. • The Bank remains cognisant of the need to continuously build and maintain resilience, through close and proactive monitoring of potentially high impact events in the short term and longer term horizon. The Bank continuously simulates and tests preparedness to navigate through crisis conditions, while challenging and refining its Business Continuity Management (BCM) plans and processes based on various scenarios. Consequently, the Bank continuously enhances its BCM plans and processes to strengthen its resilience to endure future crises. • In managing credit risk exposures, the Bank regularly conducts stress tests which incorporate consideration for permutations arising from topical and material risk headwinds. This is done to assess potential vulnerabilities and provide a forward looking view on areas of potential vulnerabilities given the current operating environment.

b) Basel II and III

The Bank places great importance on Basel II and III and views Basel II and III as a bank-wide initiative that will ensure that the Bank continues to meet international best practices for the Bank's credit, market, operational and liquidity risk management practices. By adopting Basel II and III, the Bank is able and will continue to enhance and embed sound risk management practices within the Bank and be equipped with the right risk management discipline, practices, processes and systems.

For Basel II Pillar 1, the Bank is in compliance with the regulatory standards and is progressively employing advanced risk measurement in the respective businesses. For Basel II Pillar 2, the Bank's Board Policy on Internal Capital Adequacy Assessment Process ("ICAAP") forms an integrated approach to manage the Bank's risk, capital and business strategy. For Basel II Pillar 3, which is related to market discipline and disclosure requirements, the Bank has provided the disclosures under a separate Pillar 3 section in this Annual Report.

For Basel III, the Bank is in compliance with the regulatory requirements and will continuously strengthen its capital and liquidity profile in all the countries that the Bank operates in, to ensure sufficient capital and liquidity is maintained to allow for business growth and sound capital / liquidity buffer management. Additionally, the Bank is guided by the Basel III liquidity framework and ensures compliance to the following measures:

a. The Liquidity Coverage Ratio (LCR) ensures the Bank maintains sufficient buffer of high-quality liquid assets. These assets must be readily convertible into cash to meet the anticipated liquidity needs over a 30-calendar-day stress period, thereby ensuring the Bank's short-term resilience to liquidity shocks.

b. The Net Stable Funding Ratio (NSFR) ensures the Bank maintains a stable funding profile that is commensurate with the composition of its assets and off-balance sheet commitments. This ongoing compliance mitigates the likelihood of long-term disruptions to HLB's liquidity position and funding structure.

CORPORATE GOVERNANCE OVERVIEW, RISK MANAGEMENT & INTERNAL CONTROL STATEMENT

SECTION J. STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

III. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONTINUED)

c) Internal Audit

The Bank's GIAD performs the internal auditing function for the various entities in the Bank. GIAD regularly reviews the critical operations (as defined in BNM Guidelines on Internal Audit Function of Licensed Institutions) and critical controls in the Information Technology environment (as outlined in the BNM Risk Management in Technology Policy Document) of the Bank to ensure that the internal controls are in place and working effectively.

The results of the audits conducted by GIAD are reported to the BAC. Follow-up actions and the review of the status of corrective action plans are carried out by Management via the RCGC chaired by the GMD/CEO, whose members comprise senior management. The minutes of meetings of RCGC are tabled to the BRMC and BAC for notation.

Implementation of corrective action plans are followed up on a monthly basis and reported to the BAC. Highlights of the BAC meetings are submitted to the Board for review and further deliberation.

IV. ASSESSMENT OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board has received assurance from the GMD/CEO, Chief Financial Officer, Chief Risk Officer, Chief Internal Auditor and Chief Compliance Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Bank.

Based on the assurance it has received from Management, the Board is of the view that the Bank's risk management and internal control system is operating adequately and effectively for the financial year under review and up to the date of approval of this report.

In addition, internal controls are also effected through the following processes:

- The Board receives and reviews regular reports from Management on the key operating statistics, business dynamics, legal matters and regulatory issues that would have implications on internal control measures.
- The BAC regularly reviews and holds discussions with Management on the actions taken on internal control issues identified in reports prepared by GIAD, external auditors and regulatory authorities.
- Policies on delegation and authority limits are strictly implemented to ensure a culture that respects integrity and honesty, and thereby reinforce internal controls.
- Policies and procedures are set out in operation manuals and disseminated throughout the organisation in support of a learning culture, so as to reinforce an environment of internal controls discipline.
- Policies for recruitment, promotion and termination of staff are in place to ensure the Group's human resources comply with internal controls.

V. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Bank.

SECTION K. DIRECTORS' RESPONSIBILITY IN FINANCIAL REPORTING

The MMLR of Bursa require the Directors to prepare a statement explaining the Board's responsibility for preparing the annual audited financial statements and the Companies Act 2016 requires the Directors to make a statement stating whether in their opinion, the audited financial statements are drawn up, in accordance with the applicable accounting standards, to give a true and fair view of the financial position and of the financial performance of the Group and of the Bank for the financial year.

The Directors are satisfied that in preparing the financial statements of the Group and of the Bank for the FY2026, the Group has used the appropriate accounting policies and applied them consistently. The Directors are also of the view that the relevant approved accounting standards have been followed in the preparation of these financial statements.

This Statement on Corporate Governance Overview, Risk Management and Internal Control is made in accordance with the resolution of the Board.

DIRECTORS' REPORT

for the financial year ended 30 June 2026

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Bank for the financial year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The Bank is principally engaged in all aspects of commercial banking business and in the provision of related services. The principal activity of the significant subsidiary consists of Islamic Banking services. Other subsidiary companies are primarily engaged in property investment and management, investment holding and nominee services. The details of the subsidiary companies are disclosed in Note 14 to the financial statements.

BUSINESS STRATEGY FOR THE CURRENT FINANCIAL YEAR

For the financial year under review, the Malaysian economy registered sustained growth of 5.2% in 2025 (2024: 5.1%), close to the average growth of 5.3% in the last four years. For the first half of 2026 ("1H26"), growth expanded by 5.7% year-on-year, supported by continuous albeit more moderate expansion in domestic demand, as well as a rebound in net exports. Continued private consumption growth as a result of healthy labour market, continuous wage growth, government policy support, as well as quicker implementation of investment projects, all helped bolster economic growth in 2025 and 1H26. On the supply side, the services and manufacturing sectors remained the primary growth drivers, reinforced by continuous albeit slower expansion in construction and a rebound in mining.

True to our brand promise of "Built Around You", the Bank continually innovates to deliver customer-centric solutions that meet customers' evolving needs. Enhanced digital capabilities, complemented by localised knowledge and community-level engagement, help deepen customer relationships, reinforcing our ambition to be a highly digital and innovative financial services institution. As we strengthen our core franchise to deliver sustainable returns to our stakeholders, we remain committed to supporting our customers in navigating challenges arising from an uncertain global environment, underpinned by a steadfast focus on preserving asset quality. Sustainability remains an integral part of our strategy, with environmental, social and governance considerations embedded across our financing, investment and operational decisions to support long-term value creation.

OUTLOOK AND BUSINESS PLAN FOR THE NEW FINANCIAL YEAR

We remain cautiously optimistic that the Malaysian economy will remain resilient and will be able to achieve the 4.0%-5.0% official growth forecast for this year. Despite ongoing external risks that have disrupted energy prices and global supply chains, Malaysia is expected to weather this relatively well compared to its peers given its position as a net energy exporter and well-diversified economic structure. Proactive government programmes, continuous rollout of investment initiatives under various masterplans such as the 13th Malaysia Plan, Artificial Intelligence ("AI") and demand for electrical and electronics products, continuous investments into data centres as well as favourable commodity prices, are expected to cushion the blow from external challenges and potentially a more inflationary environment.

In this evolving operating environment, the Bank adopts a balanced approach, navigating global uncertainty with domestic agility. Aligned with this approach, we remain committed to executing our 3-5 Year Transformative Plan anchored in core franchise growth, sound asset quality and robust liquidity management. Through our strategic alliances, we leverage our collaboration with Lombard Odier to develop wealth management propositions that serve distinct client segments, and with WeBank to scale digital capabilities that streamline processes and better serve customers. Across our operations, AI is transforming how we work, empowering our people to focus on higher-value activities and realise their fullest potential. We continue to advance our sustainability agenda through responsible business practices, in support of our long-term carbon-neutral ambition and value creation for all stakeholders.

DIRECTORS' REPORT

for the financial year ended 30 June 2026

PERFORMANCE REVIEW AND MANAGEMENT REPORTS

The Board receives and reviews regular reports from the Management on key financial and operating statistics as well as legal and regulatory matters. The performance of each business unit is assessed against the approved budgets and business objectives whilst explanation is provided for significant variances.

CREDIT INFORMATION RATING

During the year, Moody's Investors Services Ltd has reaffirmed the Bank's long-term rating at A3 and short-term rating at P2, with a stable outlook. Rating Agency Malaysia Berhad has also reaffirmed the Bank's long-term and short-term ratings, underpinned by our established domestic retail and SME franchises, robust asset quality and strong capitalisation.

The ratings indicate that in the long-term, the Bank is adjudged to offer high safety for timely payment of financial obligations while in the short-term, the Bank is adjudged to have superior capacities for timely payment of obligations.

Details of the rating of the Bank and its debt securities are as follows:

Rating Agency	Date Accorded	Rating Classification
Rating Agency Malaysia Berhad	22 May 2026	Long-Term Rating: AAA Short-Term Rating: P1 Subordinated Notes: AA1 Additional Tier 1 Capital Securities: A1 Medium Term Notes: AAA Commercial Papers: P1
Moody's Investors Services Ltd	27 August 2026	Long-Term Rating: A3 Short-Term Rating: P2 Senior Unsecured: A3

FINANCIAL RESULTS

	The Group RM'000	The Bank RM'000
Profit before taxation	5,480,478	3,800,791
Taxation	(948,982)	(868,913)
Net profit for the financial year	4,531,496	2,931,878

DIRECTORS' REPORT

for the financial year ended 30 June 2026

DIVIDENDS

Since the last financial year ended 30 June 2025, a final single tier dividend of 68 sen per share amounting to RM1,394,169,410 in respect of the financial year ended 30 June 2025, was paid on 22 October 2025.

An interim single tier dividend for the financial year ended 30 June 2026 of 30 sen per share amounting to RM615,103,971 was paid on 27 March 2026.

The Directors have declared a final single tier dividend of 80.0 sen per share in respect of the financial year ended 30 June 2026. The financial statements for the current financial year do not reflect this dividend and it will be accounted for in equity as an appropriation of retained profits in the next financial year ending 30 June 2027.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 53 to the financial statements.

SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

Subsequent events after the financial year are disclosed in Note 54 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no new ordinary shares or debentures issued during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIRECTORS' REPORT

for the financial year ended 30 June 2026

DIRECTORS

The Directors of the Bank who have held office during the financial year and during the period from the end of the financial year to the date of this report are:

YBhg Tan Sri Quek Leng Chan	(Chairman, Non-Executive Non-Independent)
Mr Tan Kong Khoon	(Non-Independent Executive Director)
Mr Kwek Leng Hai	(Non-Independent Non-Executive Director)
Ms Lau Souk Huan	(Independent Non-Executive Director)
Ms Cheong Soo Ching	(Independent Non-Executive Director)
YBhg Datuk Manharlal A/L Ratilal	(Independent Non-Executive Director)
Encik Alan Hamzah Sendut (Appointed with effect from 28 October 2025)	(Independent Non-Executive Director)
Puan Marzida Binti Mohd Noor (Appointed with effect from 6 April 2026)	(Independent Non-Executive Director)

The Directors of the Bank's subsidiaries who have held office during the financial year and during the period from the end of the financial year to the date of this report (not including those Directors listed above) are:

YM Raja Noorma binti Raja Othman
Puan Rowina Ghazali Seth
Mr Tang Hong Cheong
Mr Malkiat Singh @ Malkit Singh Maan A/L Delbara Singh
Ms Han Chin May
Mr Quek Kon Sean
Mr Matthew Nicholas Rendall
Mr Tan Khee Meng
Mr John Hing Vong
Mr Duong Duc Hung (Resigned with effect from 26 August 2026)
Ms Stella Lo Sze Man
Mr Lam Sai Yoke
Ms Chow Siu Ling Shirley
Encik Alan Hamzah Sendut (Retired as a Director of Hong Leong Islamic Bank Berhad on 25 September 2025)
Encik Ajeep Rassidi Bin Othman (Appointed with effect from 24 October 2025)

DIRECTORS' REPORT

for the financial year ended 30 June 2026

DIRECTORS' REMUNERATION

The remuneration in aggregate for Directors of the Bank and its subsidiaries for the financial year are as follows:

	The Group RM'000	The Bank RM'000
Directors of the Bank		
Director fees	1,266	1,223
Directors' other emoluments	246	236
Directors of the Bank's Subsidiaries		
Director fees	1,020	-
Directors' other emoluments	3,711	-

There was no amount paid to or receivable by any third party for services provided by Directors of the Bank and its subsidiaries.

During the financial year, Directors and Officers of the Group and the Bank are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors and Officers of the Group and the Bank subject to the terms of the policy. The total amount of Directors' & Officers' Liability Insurance effected for the Directors & Officers of the holding company was RM10.0 million. The total amount of premium paid by the holding company for the Directors' & Officers' Liability Insurance was RM85,500 (2025: RM85,500), of which RM71,489 was apportioned to and paid by the Bank in respect of HLB and its subsidiaries.

Details of Directors' remuneration are set out in Note 40 to the financial statements.

DIRECTORS' REPORT

for the financial year ended 30 June 2026

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Bank under Section 59 of the Companies Act 2016, the Directors holding office at the end of the financial year who had beneficial interests in the ordinary shares and/or preference shares and/or debentures and/or options over ordinary shares of the Bank and/or its related corporations during the financial year are as follows:

	Directors' direct interests			
	Number of ordinary shares/preference shares/*ordinary shares issued or to be issued or acquired or to be received arising from the vesting of share grant/**nominal value in Ringgit Malaysia of Tier 2 subordinated notes/subordinated sukuk murabahah			
	As at 01.07.2025	Acquired	Sold	As at 30.06.2026
Interests of YBhg Tan Sri Quek Leng Chan in:				
Hong Leong Company (Malaysia) Berhad	390,000	-	-	390,000
Hong Leong Financial Group Berhad	11,974,794	-	-	11,974,794
Hong Leong Bank Berhad	55,080	-	-	55,080
Hong Leong Industries Berhad	2,486,900	-	-	2,486,900
Malaysian Pacific Industries Berhad	995,000	-	(754,400)	240,600
Hume Cement Industries Berhad	1,705,895	-	-	1,705,895
Interests of Mr Tan Kong Khoon in:				
Hong Leong Financial Group Berhad	375,368	-	-	375,368
Interests of Mr Kwek Leng Hai in:				
Hong Leong Company (Malaysia) Berhad	420,500	-	-	420,500
Hong Leong Industries Berhad	190,000	-	-	190,000
Hong Leong Financial Group Berhad	2,526,000	-	-	2,526,000
Hong Leong Bank Berhad	5,510,000	-	-	5,510,000
Malaysian Pacific Industries Berhad	71,250	-	-	71,250

DIRECTORS' REPORT

for the financial year ended 30 June 2026

DIRECTORS' INTERESTS (CONTINUED)

	Directors' deemed interests			
	Number of ordinary shares/preference shares/*ordinary shares issued or to be issued or acquired or to be received arising from the vesting of share grant/**nominal value in Ringgit Malaysia of Tier 2 subordinated notes/subordinated sukuk murabahah			
	As at 01.07.2025	Acquired	Sold	As at 30.06.2026
Interests of YBhg Tan Sri Quek Leng Chan in:				
Hong Leong Company (Malaysia) Berhad	7,651,455[(1)]	-	-	7,651,455[(1)]
Hong Leong Financial Group Berhad	888,178,596[(1)]	-	-	888,178,596[(1)]
Hong Leong Capital Berhad	173,805,058	-	-	173,805,058
Hong Leong Bank Berhad	1,345,972,129[(1)]	-	-	1,345,972,129[(1)]
	250,000,000**	-	-	250,000,000**
Hong Leong MSIG Takaful Berhad	130,000,000	-	-	130,000,000
Hong Leong Assurance Berhad	140,000,000	-	-	140,000,000
Hong Leong Islamic Bank Berhad	400,000,000**	-	-	400,000,000**
Hong Leong Industries Berhad	240,308,358[(1)]	9,900	(13,388)[(2)]	240,304,870[(1)]
Hong Leong Yamaha Motor Sdn Bhd	17,352,872	-	-	17,352,872
Malaysian Pacific Industries Berhad	115,276,284[(1)]	61,333[(1)(4)]	(329,958)[(1)(2)]	115,007,659
	39,667*[(1)]	-	(19,833)*[(1)(5)]	19,834*[(1)]
Carter Resources Sdn Bhd	5,640,607	-	-	5,640,607
Carsem (M) Sdn Bhd	84,000,000	-	-	84,000,000
	22,400[(3)]	-	-	22,400[(3)]
Hume Cement Industries Berhad	527,954,682[(1)]	94,867	(45,793)[(2)]	528,003,756[(1)]

Notes:

(1) Inclusive of interest pursuant to Section 59(11)(c) of the Companies Act 2016 in shares held by family member

(2) Inclusive of transfer of free ordinary shares to the grant holder upon vesting

(3) Redeemable Preference Shares

(4) Inclusive of vesting of share grant

(5) Vesting of share grant

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Bank received or became entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or as fixed salary of a full-time employee of the Bank or of related corporations) by reason of a contract made by the Bank or its related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for:

YBhg Tan Sri Quek Leng Chan, who may be deemed to derive a benefit by virtue of those transactions, contracts and agreements for the acquisitions and/or disposal of stocks and shares, stocks-in-trade, products, parts, accessories, plants, chattels, fixtures, buildings, land and other properties or any interest in any properties; and/or for the provision of services including but not limited to project and sales management and any other management and consultancy services; and/or for construction, development, leases, tenancy, licensing, dealership and distributorship; and/or for the provision of treasury functions, advances in the conduct of normal trading, banking, insurance, investment, stockbroking and/or other businesses between the Bank or its related corporations and corporations in which YBhg Tan Sri Quek Leng Chan is deemed to have interests.

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any other arrangements to which the Bank is a party, with the object or objects of enabling the Directors of the Bank to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate, other than the share options granted pursuant to the Executive Share Scheme.

RESPONSIBILITY STATEMENT BY THE BOARD OF DIRECTORS

In the course of preparing the annual financial statements of the Group and of the Bank, the Directors are collectively responsible in ensuring that these financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

It is the responsibility of the Directors to ensure that the financial reporting of the Group and the Bank present a true and fair view of the state of affairs of the Group and the Bank as at 30 June 2026 and of the financial results and cash flows of the Group and of the Bank for the financial year ended 30 June 2026.

The financial statements are prepared on the going concern basis and the Directors have ensured that proper accounting records are kept, applied the appropriate accounting policies on a consistent basis and made accounting estimates that are reasonable and fair so as to enable the preparation of the financial statements of the Group and of the Bank with reasonable accuracy.

EXECUTIVE SHARE SCHEME ("ESS 2022")

The Bank had on 10 March 2022 established the ESS 2022, which comprises an executive share option scheme ("ESOS") and an executive share grant scheme ("ESGS") for the eligible executives and/or directors of HLB and its subsidiaries (Group) (such executive and directors, "Eligible Executives"). The ESS 2022 shall be in force until terminated by the Board of HLB.

The ESS 2022 will enable the Bank to align the long-term interests of Eligible Executives with those of the shareholders of the Bank, as well as to motivate and reward them.

(i) Status on ESOS

There were no share options granted under the ESS 2022 of the Bank during the financial year ended 30 June 2026 and since the commencement of the ESS 2022.

DIRECTORS' REPORT

for the financial year ended 30 June 2026

EXECUTIVE SHARE SCHEME ("ESS 2022") (CONTINUED)

(ii) Status on ESGS

The Bank had granted 1,170,091 grants under the ESS 2022 of the Bank during the financial year ended 30 June 2026. As at 30 June 2026, a total of 13,330,728 grants had been granted under the ESS 2022, out of which 284,701 grants had been vested, with 11,504,461 grants remain outstanding.

There were no grants granted to the Directors of the HLB Group since the commencement of the ESS 2022. A breakdown of the grant movements for the senior management and middle management of the HLB Group during the financial year ended 30 June 2026 is as follows:

(a) Senior Management

		Outstanding		During FY2026	
Grant Date (*)	No. of Participants	At as 1.7.2025	At as 30.6.2026	Granted	Vested
29.11.2023	1	79,021	-	-	(79,021)
20.02.2024	17	32,893	-	-	(29,205)
19.06.2024	1	3,230	-	-	(3,230)
27.09.2024	12	8,350,580	8,350,580	-	-
24.02.2025	21	139,848	69,352	-	(69,924)
05.08.2025	1	-	20,765	57,583	(36,818)
24.10.2025	1	-	604,857	604,857	-
02.03.2026	25	-	156,556	157,866	-

* Excludes the grant date for grants that have fully vested or lapsed.

(b) Middle Management

		Outstanding		During FY2026	
Grant Date (*)	No. of Participants	At as 1.7.2025	At as 30.6.2026	Granted	Vested
20.02.2024	103	40,435	-	-	(38,989)
27.09.2024	8	2,614,010	1,925,857	-	-
24.02.2025	73	55,920	27,227	-	(27,514)
24.10.2025	1	-	287,785	287,785	-
02.03.2026	80	-	61,482	62,000	-

* Excludes the grant date for grants that have fully vested or lapsed.

An exercise price or purchase price is not applicable to the ESGS of the HLB Group.

As at 30 June 2026, the actual percentage of total grants granted to the Directors and senior management of HLB Group under the ESS 2022 was 0.49% of the total number of issued shares (excluding treasury shares) of the Bank and the actual percentage granted to the Directors and senior management of the HLB Group during the financial year ended 30 June 2026 was 0.04% of the issued shares (excluding treasury shares) of the Bank.

A trust has been set up for the ESS and it is administered by an appointed trustee. This trustee will be entitled from time to time to accept financial assistance from the Bank upon such terms and conditions as the Bank and the trustee may agree to purchase the Bank's shares from the open market for the purposes of this trust. In accordance with MFRS 132, the shares purchased for the benefit of the ESS holdings are recorded as "Treasury Shares for ESS", in addition to the Treasury Shares for share buy-back, in the Shareholders' Equity on the statements of financial position.

For further details on the ESS, refer to Note 55 to the financial statements on equity compensation benefits.

STATUTORY INFORMATION REGARDING THE GROUP AND THE BANK

(I) As at the end of the financial year

(a) Before the financial statements of the Group and the Bank were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and financing and the making of allowance for doubtful debts and financing and had satisfied themselves that all known bad debts and financing had been written off and that adequate allowance had been made for doubtful debts and financing; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Bank had been written down to an amount which the current assets might be expected so to realise.

(b) In the opinion of the Directors, the results of the operations of the Group and the Bank during the financial year had not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) From the end of the financial year to the date of this report

(a) The Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts and financing or the amount of the allowance for doubtful debts and financing in the financial statements of the Group and the Bank, inadequate to any substantial extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and the Bank misleading; and

(iii) which had arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Bank misleading or inappropriate.

(b) In the opinion of the Directors:

(i) the results of the operations of the Group and the Bank for the financial year ended 30 June 2026 are not likely to be substantially affected by any item, transaction or event of a material and unusual nature which had arisen in the interval between the end of the financial year and the date of this report; and

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

(III) As at the date of this report

(a) There are no charges on the assets of the Group and the Bank which had arisen since the end of the financial year to secure the liabilities of any other person.

(b) There are no contingent liabilities which had arisen since the end of the financial year.

(c) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements of the Group and the Bank which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

for the financial year ended 30 June 2026

DISCLOSURE OF SHARIAH COMMITTEE

The Group's Islamic banking activity is subject to compliance with Shariah governance guided by the Shariah Committee consisting of 6 members, appointed by the Board of Directors of Hong Leong Islamic Bank Berhad and approved by BNM.

The primary role of the Shariah Committee is mainly advising on matters relating to the business operations and products of the Group and providing support by attending regular meetings with the Group to ensure that they are in conformity with Shariah principles.

HOLDING AND ULTIMATE HOLDING COMPANIES

The holding and ultimate holding companies are Hong Leong Financial Group Berhad and Hong Leong Company (Malaysia) Berhad respectively. Both companies are incorporated in Malaysia.

SUBSIDIARIES

Details of subsidiaries are set out in Note 14 to the financial statements.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Bank are RM5,299,000 (2025: RM4,291,000) and RM4,773,000 (2025: RM3,781,000) respectively. Details of auditors' remuneration are set out in Note 36 to the financial statements.

AUDITORS

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

This report was approved by the Board of Directors on 18 September 2026. Signed on behalf of the Board of Directors:

Tan Kong Khoon

Lau Souk Huan

Kuala Lumpur
18 September 2026

STATEMENTS OF FINANCIAL POSITION

as at 30 June 2026

	Note	The Group 2026 RM'000	The Group 2025 RM'000	The Bank 2026 RM'000	The Bank 2025 RM'000
Assets					
Cash and short-term funds	3	**10,883,077**	9,990,872	**9,132,563**	7,792,755
Deposits and placements with banks and other financial institutions	4	**23,753**	3,249,519	**4,999**	3,698,169
Securities purchased under resale agreements		**1,208,959**	479,048	**-**	-
Financial assets at fair value through profit or loss	5	**7,331,563**	7,990,797	**5,894,912**	6,913,909
Financial investments at fair value through other comprehensive income	6	**37,189,867**	37,328,324	**30,295,496**	29,019,975
Financial investments at amortised cost	7	**25,061,022**	26,704,377	**20,346,335**	20,946,139
Loans, advances and financing	8	**225,265,167**	208,964,590	**167,799,111**	156,031,286
Other assets	9	**3,266,175**	3,019,114	**3,211,393**	2,963,687
Derivative financial instruments	10	**2,216,954**	2,258,499	**2,140,687**	2,182,189
Amount due from subsidiaries	11	**-**	-	**28,757**	319,859
Statutory deposits with Central Banks	12	**2,143,307**	2,027,739	**1,545,677**	1,461,903
Deferred tax assets	13	**142,818**	118,650	**106,435**	88,222
Subsidiary companies	14	**-**	-	**2,640,447**	2,644,574
Investment in associated companies	15	**10,352,079**	9,210,641	**2,063,041**	2,063,041
Property and equipment	16	**1,022,459**	953,673	**498,235**	415,980
Intangible assets	17	**320,151**	334,629	**297,709**	307,535
Right-of-use assets	18	**152,657**	156,340	**455,188**	177,400
Goodwill	19	**1,831,312**	1,831,312	**1,771,547**	1,771,547
Total assets		**328,411,320**	314,618,124	**248,232,532**	238,798,170
Liabilities					
Deposits from customers	20	**252,064,383**	238,926,005	**188,817,144**	179,112,230
Investment accounts of customers	21	**2,673,637**	2,269,059	**-**	-
Deposits and placements of banks and other financial institutions	22	**7,356,493**	9,935,753	**7,909,614**	10,289,396
Obligations on securities sold under repurchase agreements		**6,322,232**	6,524,607	**6,322,232**	6,524,607
Bills and acceptances payable		**292,157**	276,499	**240,050**	204,443
Lease liabilities	23	**150,139**	159,961	**454,291**	183,979
Other liabilities	24	**7,999,992**	7,334,258	**7,511,975**	6,774,382
Derivative financial instruments	10	**2,324,404**	2,649,881	**2,061,684**	2,483,120
Recourse obligation on loans/financing sold to Cagamas Berhad ("Cagamas")	25	**2,062,377**	2,512,996	**1,759,599**	1,508,444
Provision for taxation		**194,015**	319,340	**143,453**	246,201
Senior debts	26	**926,032**	806,413	**724,881**	605,097
Tier 2 subordinated bonds	27	**2,540,554**	1,901,515	**2,540,554**	1,901,515
Multi-currency Additional Tier 1 capital securities	28	**1,714,867**	1,714,861	**1,714,867**	1,714,861
Total liabilities		**286,621,282**	275,331,148	**220,200,344**	211,548,275
Equity					
Share capital	29	**7,739,063**	7,739,063	**7,739,063**	7,739,063
Reserves	30	**34,749,255**	32,248,291	**20,991,405**	20,211,210
Less: Treasury shares	31	**(698,280)**	(700,378)	**(698,280)**	(700,378)
Total equity		**41,790,038**	39,286,976	**28,032,188**	27,249,895
Total equity and liabilities		**328,411,320**	314,618,124	**248,232,532**	238,798,170
Commitments and contingencies	45	**428,765,268**	376,048,966	**412,278,222**	359,612,977

The accompanying notes form an integral part of the financial statements

STATEMENTS OF INCOME

for the financial year ended 30 June 2026

	Note	The Group		The Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Interest income	32a	**8,731,421**	8,774,986	**8,524,523**	8,539,597
Interest income for financial assets at fair value through profit or loss	32b	**99,205**	113,994	**99,205**	113,994
Interest expense	33	**(4,768,259)**	(4,901,454)	**(4,672,271)**	(4,809,045)
Net interest income		**4,062,367**	3,987,526	**3,951,457**	3,844,546
Net income from Islamic Banking business	34	**1,242,299**	1,159,833	**-**	-
		5,304,666	5,147,359	**3,951,457**	3,844,546
Other operating income	35	**1,388,621**	1,250,671	**1,873,605**	1,792,884
Net income		**6,693,287**	6,398,030	**5,825,062**	5,637,430
Other operating expenses	36	**(2,513,856)**	(2,479,199)	**(2,029,650)**	(2,012,661)
Operating profit before allowances		**4,179,431**	3,918,831	**3,795,412**	3,624,769
(Allowance for)/write back of impairment losses on loans, advances and financing	37	**(79,330)**	383,317	**5,763**	339,295
Write back of/(allowance for) impairment losses on financial investments and other assets	38	**266**	282	**(384)**	368
		4,100,367	4,302,430	**3,800,791**	3,964,432
Associated companies:					
- Share of results	15	**1,380,111**	1,465,511	**-**	-
- Dilution loss	15	**-**	(407,602)	**-**	-
Profit before taxation		**5,480,478**	5,360,339	**3,800,791**	3,964,432
Taxation	41	**(948,982)**	(1,086,897)	**(868,913)**	(960,520)
Net profit for the financial year		**4,531,496**	4,273,442	**2,931,878**	3,003,912
Attributable to:					
Owners of the parent		**4,531,496**	4,273,442	**2,931,878**	3,003,912
Earnings per share - basic (sen)	42	**221.0**	208.5	**143.0**	146.5
Earnings per share - diluted (sen)	42	**219.8**	207.3	**142.2**	145.7

The accompanying notes form an integral part of the financial statements

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 June 2026

	Note	The Group		The Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Net profit for the financial year		**4,531,496**	4,273,442	**2,931,878**	3,003,912
Other comprehensive (loss)/income in respect of:					
(i) Item that will not be reclassified to profit or loss:					
Equity instruments at fair value through other comprehensive income					
- Net fair value changes		**33,548**	27,884	**33,548**	27,884
(ii) Items that may be reclassified subsequently to profit or loss:					
(a) Share of other comprehensive income/(loss) of associated company		**20,543**	(55,945)	**-**	-
(b) Currency translation differences		**96,525**	(1,163,289)	**(71,588)**	(82,453)
(c) Debt instruments at fair value through other comprehensive income					
- Net fair value changes	43	**(215,390)**	444,090	**(144,169)**	366,576
- Changes in expected credit losses	43	**(227)**	(557)	**(217)**	(594)
Income tax relating to components of other comprehensive loss/(income)	43	**31,822**	(91,148)	**28,096**	(72,578)
Other comprehensive (loss)/income for the financial year, net of tax		**(33,179)**	(838,965)	**(154,330)**	238,835
Total comprehensive income for the financial year		**4,498,317**	3,434,477	**2,777,548**	3,242,747
Attributable to:					
Owners of the parent		**4,498,317**	3,434,477	**2,777,548**	3,242,747

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2026

The Group	Note	Attributable to owners of the parent					
		Share capital RM'000	Treasury shares* RM'000	Regulatory reserves^ RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
At 1 July 2025		**7,739,063**	**(700,378)**	**1,861,261**	**491,985**	**29,895,045**	**39,286,976**
Comprehensive income							
Net profit for the financial year		**-**	**-**	**-**	**-**	**4,531,496**	**4,531,496**
Share of other comprehensive income of associated company		**-**	**-**	**-**	**20,543**	**-**	**20,543**
Financial assets measured at fair value through other comprehensive income							
- Equity instruments							
- Net fair value changes		**-**	**-**	**-**	**33,548**	**-**	**33,548**
- Debt instruments	43						
- Net fair value changes		**-**	**-**	**-**	**(183,568)**	**-**	**(183,568)**
- Changes in expected credit losses		**-**	**-**	**-**	**(227)**	**-**	**(227)**
Currency translation differences		**-**	**-**	**-**	**96,525**	**-**	**96,525**
Total comprehensive (loss)/income		**-**	**-**	**-**	**(33,179)**	**4,531,496**	**4,498,317**
Transactions with owners							
Transfer to regulatory reserve		**-**	**-**	**297,662**	**-**	**(297,662)**	**-**
Dividends paid:							
- final dividend for the financial year ended 30 June 2025	44	**-**	**-**	**-**	**-**	**(1,394,169)**	**(1,394,169)**
- interim dividend for the financial year ended 30 June 2026	44	**-**	**-**	**-**	**-**	**(615,104)**	**(615,104)**
ESS exercised		**-**	**2,098**	**-**	**(5,586)**	**3,488**	**-**
Option charge from ESS granted		**-**	**-**	**-**	**14,018**	**-**	**14,018**
Total transactions with owners		**-**	**2,098**	**297,662**	**8,432**	**(2,303,447)**	**(1,995,255)**
At 30 June 2026		**7,739,063**	**(698,280)**	**2,158,923**	**467,238**	**32,123,094**	**41,790,038**

* Treasury shares consist of two categories which are detailed in Note 31

^ Comprise regulatory reserves maintained by the Group's banking subsidiaries of RM2,137,528,000 (2025: RM1,842,518,000) in accordance with BNM's Guideline and the banking subsidiary in Vietnam with the State Bank of Vietnam of RM21,395,000 (2025: RM18,743,000).

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2026

The Group	Note	Attributable to owners of the parent					
		Share capital RM'000	Treasury shares* RM'000	Regulatory reserves^ RM'000	Other reserves RM'000	Retained profits RM'000	Total RM'000
At 1 July 2024		7,739,063	(702,674)	1,259,640	1,323,177	27,674,882	37,294,088
Comprehensive income							
Net profit for the financial year		-	-	-	-	4,273,442	4,273,442
Share of other comprehensive loss of associated company		-	-	-	(55,945)	-	(55,945)
Financial assets measured at fair value through other comprehensive income							
- Equity instruments							
- Net fair value changes		-	-	-	27,884	-	27,884
- Debt instruments	43						
- Net fair value changes		-	-	-	352,942	-	352,942
- Changes in expected credit losses		-	-	-	(557)	-	(557)
Currency translation differences		-	-	-	(1,163,289)	-	(1,163,289)
Total comprehensive (loss)/income		-	-	-	(838,965)	4,273,442	3,434,477
Transactions with owners							
Transfer to regulatory reserve		-	-	601,621	-	(601,621)	-
Dividends paid:							
- final dividend for the financial year ended 30 June 2024	44	-	-	-	-	(881,486)	(881,486)
- interim dividend for the financial year ended 30 June 2025	44	-	-	-	-	(574,013)	(574,013)
ESS exercised		-	2,296	-	(6,137)	3,841	-
Option charge from ESS granted		-	-	-	13,910	-	13,910
Total transactions with owners		-	2,296	601,621	7,773	(2,053,279)	(1,441,589)
At 30 June 2025		7,739,063	(700,378)	1,861,261	491,985	29,895,045	39,286,976

* Treasury shares consist of two categories which are detailed in Note 31

^ Comprise regulatory reserves maintained by the Group's banking subsidiaries of RM1,842,518,000 (2024: RM1,245,616,000) in accordance with BNM's Guideline and the banking subsidiary in Vietnam with the State Bank of Vietnam of RM18,743,000 (2024: RM14,024,000).

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2026

The Bank	Note	Non-distributable				Distributable	
		Share capital RM'000	Treasury shares* RM'000	Regulatory reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 July 2025		**7,739,063**	**(700,378)**	**1,456,280**	**501,855**	**18,253,075**	**27,249,895**
Comprehensive income							
Net profit for the financial year		**-**	**-**	**-**	**-**	**2,931,878**	**2,931,878**
Financial assets measured at fair value through other comprehensive income							
- Equity instruments							
- Net fair value changes		**-**	**-**	**-**	**33,548**	**-**	**33,548**
- Debt instruments	43						
- Net fair value changes		**-**	**-**	**-**	**(116,073)**	**-**	**(116,073)**
- Changes in expected credit losses		**-**	**-**	**-**	**(217)**	**-**	**(217)**
Currency translation differences		**-**	**-**	**-**	**(71,588)**	**-**	**(71,588)**
Total comprehensive (loss)/income		**-**	**-**	**-**	**(154,330)**	**2,931,878**	**2,777,548**
Transactions with owners							
Transfer to regulatory reserve		**-**	**-**	**204,957**	**-**	**(204,957)**	**-**
Dividends paid:							
- final dividend for the financial year ended 30 June 2025	44	**-**	**-**	**-**	**-**	**(1,394,169)**	**(1,394,169)**
- interim dividend for the financial year ended 30 June 2026	44	**-**	**-**	**-**	**-**	**(615,104)**	**(615,104)**
ESS exercised		**-**	**2,098**	**-**	**(5,586)**	**3,488**	**-**
Option charge from ESS granted		**-**	**-**	**-**	**14,018**	**-**	**14,018**
Total transactions with owners		**-**	**2,098**	**204,957**	**8,432**	**(2,210,742)**	**(1,995,255)**
At 30 June 2026		**7,739,063**	**(698,280)**	**1,661,237**	**355,957**	**18,974,211**	**28,032,188**

* Treasury shares consist of two categories which are detailed in Note 31

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 June 2026

The Bank	Note	Non-distributable				Distributable	
		Share capital RM'000	Treasury shares* RM'000	Regulatory reserve RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 July 2024		7,739,063	(702,674)	1,019,677	255,247	17,137,424	25,448,737
Comprehensive income							
Net profit for the financial year		-	-	-	-	3,003,912	3,003,912
Financial assets measured at fair value through other comprehensive income							
- Equity instruments							
- Net fair value changes		-	-	-	27,884	-	27,884
- Debt instruments	43						
- Net fair value changes		-	-	-	293,998	-	293,998
- Changes in expected credit losses		-	-	-	(594)	-	(594)
Currency translation differences		-	-	-	(82,453)	-	(82,453)
Total comprehensive income		-	-	-	238,835	3,003,912	3,242,747
Transactions with owners							
Transfer to regulatory reserve		-	-	436,603	-	(436,603)	-
Dividends paid:							
- final dividend for the financial year ended 30 June 2024	44	-	-	-	-	(881,486)	(881,486)
- interim dividend for the financial year ended 30 June 2025	44	-	-	-	-	(574,013)	(574,013)
ESS exercised		-	2,296	-	(6,137)	3,841	-
Option charge from ESS granted		-	-	-	13,910	-	13,910
Total transactions with owners		-	2,296	436,603	7,773	(1,888,261)	(1,441,589)
At 30 June 2025		7,739,063	(700,378)	1,456,280	501,855	18,253,075	27,249,895

* Treasury shares consist of two categories which are detailed in Note 31

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2026

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash flows from operating activities				
Profit before taxation	**5,480,478**	5,360,339	**3,800,791**	3,964,432
Adjustments for:				
Depreciation of property and equipment	**74,577**	89,995	**60,239**	75,028
Depreciation of right-of-use assets	**46,290**	45,262	**69,963**	68,918
Amortisation of intangible assets	**73,555**	69,003	**67,201**	62,187
Net gain on disposal of property and equipment	**(4,073)**	(9,124)	**(4,074)**	(9,124)
Share of results of associated companies	**(1,380,111)**	(1,465,511)	**-**	-
Property and equipment written off	**180**	566	**164**	530
Intangible assets written off	**13**	39	**13**	39
Amortisation of upfront fees	**(3,040)**	2,104	**(3,216)**	1,822
Net gain on divestment of an associate	**-**	-	**-**	(84,039)
Net realised gain on financial instruments:				
- financial assets at fair value through profit or loss	**(142,144)**	(109,418)	**(142,144)**	(109,418)
- derivatives financial instruments	**(232,337)**	(42,161)	**(232,337)**	(42,161)
- financial investments at fair value through other comprehensive income	**(81,082)**	(85,625)	**(81,082)**	(85,625)
Allowance for/(write back of) impairment losses on loans, advances and financing	**292,608**	(133,460)	**164,276**	(130,632)
Impaired loans, advances and financing written off	**27,149**	28,019	**19,591**	19,657
Net unrealised (gain)/loss on revaluation of financial instruments:				
- financial assets at fair value through profit or loss	**(6,517)**	(34,177)	**(6,517)**	(34,177)
- derivatives financial instruments	**190,776**	106,397	**190,776**	106,397
Net realised gain on fair value changes arising from fair value hedges	**(4,540)**	(7,386)	**(4,540)**	(7,386)
Net loss on dilution of investment in associated company	**-**	407,602	**-**	-
Net unrealised (gain)/loss on fair value changes arising from fair value hedges	**(128)**	1,695	**(128)**	1,695
(Write back of)/allowance for impairment losses on financial investments and other assets	**(266)**	(282)	**384**	(368)
Interest expense on:				
- Recourse obligation on loans/financing sold to Cagamas	**79,150**	115,969	**59,255**	60,806
- Senior debts	**31,766**	31,512	**23,626**	23,366
- Tier 2 subordinated bonds	**78,045**	62,691	**78,045**	62,691
- Multi-currency Additional Tier 1 capital securities	**76,378**	76,378	**76,378**	76,378
- Lease liabilities	**7,449**	7,452	**8,996**	8,904

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2026

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Interest income from:				
- financial investments at fair value through other comprehensive income	**(1,284,102)**	(1,263,539)	**(1,288,110)**	(1,263,394)
- financial investments at amortised cost	**(580,563)**	(639,395)	**(579,615)**	(638,758)
- subordinated facilities	**-**	-	**(40,171)**	(40,651)
Dividend income from:				
- associated companies	**-**	-	**(510,395)**	(486,270)
- financial assets at fair value through profit or loss	**(96,445)**	(58,964)	**(96,445)**	(58,964)
- financial investments at fair value through other comprehensive income	**(4,249)**	(522)	**(4,249)**	(522)
Share option expenses	**14,018**	13,910	**14,018**	13,910
Operating profit before working capital changes	**2,652,835**	2,569,369	**1,640,693**	1,555,271
(Increase)/Decrease in operating assets				
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	**2,928,605**	(2,702,204)	**3,343,444**	(2,296,165)
Securities purchased under resale agreements	**(729,911)**	(181,733)	**-**	-
Financial assets at fair value through profit or loss	**756,511**	(4,446,249)	**1,116,274**	(3,394,296)
Loans, advances and financing	**(17,329,976)**	(16,523,047)	**(12,507,596)**	(12,314,935)
Derivative financial instruments	**(100,910)**	(1,150,946)	**63,546**	(1,045,809)
Other assets	**(199,373)**	1,194,614	**(238,134)**	1,172,240
Amount due from subsidiaries	**-**	-	**291,102**	(215,735)
Statutory deposits with Central Banks	**(115,568)**	1,186,739	**(83,774)**	858,208
Increase/(Decrease) in operating liabilities				
Deposits from customers	**14,431,078**	20,026,347	**10,669,765**	14,314,552
Investment accounts of customers	**404,578**	102,525	**-**	-
Deposits and placements of banks and other financial institutions	**(2,397,985)**	(921,543)	**(2,229,245)**	(88,814)
Securities sold under repurchase agreements	**(185,854)**	(3,225,913)	**(185,854)**	(3,225,913)
Bills and acceptances payable	**15,658**	(6,048)	**35,607**	(33,970)
Derivative financial instruments	**(325,124)**	897,382	**(421,084)**	787,288
Other liabilities	**620,545**	73,328	**728,924**	(218,084)
Cash flows generated from/(used in) operations	**425,109**	(3,107,379)	**2,223,668**	(4,146,162)
Taxation paid	**(1,027,019)**	(843,283)	**(821,665)**	(671,272)
Net cash (used in)/generated from operating activities	**(601,910)**	(3,950,662)	**1,402,003**	(4,817,434)

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2026

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash flows from investing activities				
Net (purchases of)/proceeds from financial investments at fair value through other comprehensive income	**(364,733)**	3,709,554	**(1,517,615)**	6,714,435
Net proceeds from financial investments at amortised cost	**1,268,133**	4,230,157	**424,682**	1,409,890
Purchase of property and equipment	**(184,758)**	(101,129)	**(182,977)**	(100,029)
Net proceeds from sale of property and equipment	**7,051**	18,900	**7,044**	18,900
Purchase of intangible assets	**(23,788)**	(15,071)	**(22,056)**	(13,540)
Interest income received from:				
- financial investments at fair value through other comprehensive income	**1,308,143**	1,157,966	**1,066,602**	1,157,966
- financial investments at amortised cost	**920,741**	774,364	**721,697**	774,364
- subordinated facilities	**-**	-	**40,214**	40,754
Capital distribution from subsidiary company	**-**	-	**628**	38
Proceeds from divestment of associate	**-**	84,071	**-**	84,071
Dividends received from:				
- associated company	**354,845**	392,344	**354,845**	392,344
- financial assets at fair value through profit or loss	**96,445**	58,964	**96,445**	58,964
- financial investments at fair value through other comprehensive income	**4,249**	522	**4,249**	522
Net cash generated from investing activities	**3,386,328**	10,310,642	**993,758**	10,538,679
Cash flows from financing activities				
Dividends paid	**(2,009,273)**	(1,455,499)	**(2,009,273)**	(1,455,499)
Repayment of Senior debts	**-**	(484,000)	**-**	(479,000)
Repayment of lease liabilities	**(45,899)**	(44,622)	**(70,404)**	(69,545)
Repayment of recourse obligation on loans/financing sold to Cagamas	**(1,700,216)**	(1,550,024)	**(700,167)**	(1,010,025)
Proceeds from debt issuance:				
- Recourse obligation on loans/financing sold to Cagamas	**1,250,000**	800,000	**950,000**	800,000
- Senior debts	**122,100**	734,000	**122,100**	734,000
- Tier 2 subordinated bonds	**640,000**	400,000	**640,000**	400,000
Interest paid:				
- Recourse obligation on loans/financing sold to Cagamas	**(79,553)**	(127,994)	**(57,933)**	(69,028)
- Senior debts	**(31,359)**	(26,634)	**(23,241)**	(18,443)
- Tier 2 subordinated bonds	**(77,783)**	(62,229)	**(77,783)**	(62,229)
- Multi-currency Additional Tier 1 capital securities	**(76,378)**	(76,326)	**(76,378)**	(76,326)
- Lease liabilities	**(7,449)**	(7,452)	**(8,996)**	(8,904)
Net cash used in financing activities	**(2,015,810)**	(1,900,780)	**(1,312,075)**	(1,314,999)

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2026

	Note	The Group		The Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Net increase in cash and cash equivalents		**768,608**	4,459,200	**1,083,686**	4,406,246
Effects of exchange rate changes		**(173,564)**	(250,616)	**(93,604)**	(112,769)
Cash and cash equivalents at the beginning of financial year		**10,224,517**	6,015,933	**8,060,211**	3,766,734
Cash and cash equivalents at the end of financial year		**10,819,561**	10,224,517	**9,050,293**	8,060,211
Cash and cash equivalents comprise the following:					
Cash and short-term funds	3	**10,883,077**	9,990,872	**9,132,563**	7,792,755
Deposits and placements with banks and other financial institutions	4	**23,753**	3,249,519	**4,999**	3,698,169
		10,906,830	13,240,391	**9,137,562**	11,490,924
Less:					
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months		**(87,269)**	(3,015,874)	**(87,269)**	(3,430,713)
		10,819,561	10,224,517	**9,050,293**	8,060,211

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2026

An analysis of changes in liabilities arising from financing activities is as follows:

The Group	Recourse obligation on loans/ financing sold to Cagamas RM'000	Senior debts RM'000	Tier 2 subordinated bonds RM'000	Multi-currency Additional Tier 1 capital securities RM'000	Lease liabilities RM'000	Total RM'000
2026						
Balance at the beginning of the financial year	**2,512,996**	**806,413**	**1,901,515**	**1,714,861**	**159,961**	**7,095,746**
Proceeds from issuance	**1,250,000**	**122,100**	**640,000**	**-**	**-**	**2,012,100**
Repayment and redemption	**(1,700,216)**	**-**	**-**	**-**	**(45,899)**	**(1,746,115)**
Interest paid	**(79,553)**	**(31,359)**	**(77,783)**	**(76,378)**	**(7,449)**	**(272,522)**
Accrued interest	**79,150**	**31,766**	**78,045**	**76,378**	**7,449**	**272,788**
Amortisation	**-**	**(2,344)**	**(1,223)**	**527**	**-**	**(3,040)**
Other non-cash	**-**	**(544)**	**-**	**(521)**	**36,077**	**35,012**
Balance at the end of the financial year	**2,062,377**	**926,032**	**2,540,554**	**1,714,867**	**150,139**	**7,393,969**
2025						
Balance at the beginning of the financial year	3,277,003	549,912	1,500,545	1,718,671	171,369	7,217,500
Proceeds from issuance	800,000	734,000	400,000	-	-	1,934,000
Repayment and redemption	(1,550,024)	(484,000)	-	-	(44,622)	(2,078,646)
Interest paid	(127,994)	(26,634)	(62,229)	(76,326)	(7,452)	(300,635)
Accrued interest	115,969	31,512	62,691	76,378	7,452	294,002
Amortisation	-	1,068	508	528	-	2,104
Other non-cash	(1,958)	555	-	(4,390)	33,214	27,421
Balance at the end of the financial year	2,512,996	806,413	1,901,515	1,714,861	159,961	7,095,746

STATEMENTS OF CASH FLOWS

for the financial year ended 30 June 2026

An analysis of changes in liabilities arising from financing activities is as follows: (continued)

The Bank	Recourse obligation on loans/ financing sold to Cagamas RM'000	Senior debts RM'000	Tier 2 subordinated bonds RM'000	Multi-currency Additional Tier 1 capital securities RM'000	Lease liabilities RM'000	Total RM'000
2026						
Balance at the beginning of the financial year	**1,508,444**	**605,097**	**1,901,515**	**1,714,861**	**183,979**	**5,913,896**
Proceeds from issuance	**950,000**	**122,100**	**640,000**	**-**	**-**	**1,712,100**
Repayment and redemption	**(700,167)**	**-**	**-**	**-**	**(70,404)**	**(770,571)**
Interest paid	**(57,933)**	**(23,241)**	**(77,783)**	**(76,378)**	**(8,996)**	**(244,331)**
Accrued interest	**59,255**	**23,626**	**78,045**	**76,378**	**8,996**	**246,300**
Amortisation	**-**	**(2,520)**	**(1,223)**	**527**	**-**	**(3,216)**
Other non-cash (Note)	**-**	**(181)**	**-**	**(521)**	**340,716**	**340,014**
Balance at the end of the financial year	**1,759,599**	**724,881**	**2,540,554**	**1,714,867**	**454,291**	**7,194,192**
2025						
Balance at the beginning of the financial year	1,728,635	344,204	1,500,545	1,718,671	225,039	5,517,094
Proceeds from issuance	800,000	734,000	400,000	-	-	1,934,000
Repayment and redemption	(1,010,025)	(479,000)	-	-	(69,545)	(1,558,570)
Interest paid	(69,028)	(18,443)	(62,229)	(76,326)	(8,904)	(234,930)
Accrued interest	60,806	23,366	62,691	76,378	8,904	232,145
Amortisation	-	786	508	528	-	1,822
Other non-cash	(1,944)	184	-	(4,390)	28,485	22,335
Balance at the end of the financial year	1,508,444	605,097	1,901,515	1,714,861	183,979	5,913,896

Note:
Included in other non-cash for the Bank is RM350,995,000 for addition/renewal of leases during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

The following accounting policies have been used consistently in dealing with items that are considered material in relation to the financial statements.

1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, financial assets and financial liabilities at fair value through profit or loss (including derivative financial instruments).

The financial statements incorporate the activities relating to Islamic Banking which have been undertaken by the Group in compliance with Shariah principles. Islamic Banking business refers generally to the acceptance of deposits and granting of financing under the Shariah principles.

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 57.

A Standards, amendments to published standards and interpretations that are effective and applicable to the Group and the Bank

The Group and the Bank have applied the following amendments for the first time for the financial year beginning on 1 July 2025:

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

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

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

The adoption of the amendments to published standard above did not have any impact on the amount recognised in prior periods and are not expected to significantly affect the current or future periods.

B Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank that have been issued but not yet effective

(i) Financial year beginning on/after 1 July 2026

* Amendments to MFRS 9 and MFRS 7 on classification and measurement of financial instruments ("the Amendments") - effective 1 January 2026

The Amendments clarify the dates of recognition and derecognition of a financial asset and financial liability, specifically:

- financial assets are derecognised when the rights to the cash flows expire or when the asset is transferred; and
- financial liabilities are derecognised at the settlement date (i.e. the date the liability is extinguished or qualifies for derecognition).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

(i) Financial year beginning on/after 1 July 2026 (continued)

* Amendments to MFRS 9 and MFRS 7 on classification and measurement of financial instruments ("the Amendments") - effective 1 January 2026 (continued)

  The Amendments provide an optional exception which permits an entity to derecognise a financial liability at a date earlier than the settlement date if the cash transfer takes place through an electronic payment system, provided that all the following conditions are met:

  - The entity does not have the practical ability to withdraw, stop or cancel the payment instruction;
  - The entity does not have the practical ability to access the cash; and
  - There is no significant settlement risk.

  This optional exception does not apply to other payment methods such as cheques.

  The Amendments may change the timing when an entity derecognises receivables and payables, compared to the current practice. Entities will need to revise their financial reporting systems and processes to align with these potential changes in timing of derecognition upon adoption of the Amendments.

  The Amendments provide guidance on assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion in the following situations:

  - when a financial asset has contractual terms that can change the timing or amount of contractual cash flows (e.g. products with interest rate adjustments that link to ESG targets);
  - when a financial asset has non-recourse features; and
  - for contractually-linked instruments.

* Amendments to MFRS 9 and MFRS 7 'Contracts Referencing Nature-dependent Electricity' - effective 1 January 2026

  The amendments help entities better reflect the nature-dependent electricity contracts in their financial statements. The amendments include, but are not limited to, the following:

  - clarify the application of the 'own-use' exception as per paragraph 2.4 of MFRS 9;
  - permitting an entity to apply hedge accounting in MFRS 9 when these contracts are used as hedging instruments; and
  - introducing new disclosure requirements in MFRS 7 to help users of financial statements understand the effects these contracts have on the amount, timing and uncertainty of an entity's future cash flows and financial performance.

* Amendments to MFRS Accounting Standards contained in the document entitled 'Annual Improvements to MFRS Accounting Standards – Volume 11' - effective 1 January 2026

  The annual improvements include clarifications, simplifications, corrections and changes aimed at improving the consistency of the following MFRS accounting standards:

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

1 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

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

(i) Financial year beginning on/after 1 July 2026 (continued)

* MFRS 18 'Presentation and Disclosure in Financial Statements' - effective 1 January 2027

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

  Income and expenses are classified into 3 new main categories:

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

  The Group and the Bank are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

  Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

  Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

* MFRS 19 'Subsidiaries without Public Accountability: Disclosures' – effective 1 January 2027

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

  A subsidiary is eligible if:

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

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

A Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date control ceases.

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to the end of the financial year.

The Group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statements of income.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses from such remeasurement are recognised in the statements of income.

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

The Group applies predecessor accounting to account for business combinations under common control. Under predecessor accounting, assets and liabilities acquired are not restated to their respective fair values. They are recognised at the carrying amounts from the consolidated financial statements of the ultimate holding company of the Group and adjusted to conform with the accounting policies adopted by the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

A Consolidation (continued)

(i) Subsidiaries (continued)

The acquirer only incorporates the acquired entity's results and statements of financial position prospectively from the date on which the business combination between entities under common control occurred. Consequently, the consolidated financial statements do not reflect the results of the acquired entity for the period before the transaction occurred. The corresponding amounts for the previous financial year are also not restated.

Predecessor accounting may lead to a difference between the cost of the transaction and the carrying value of the net assets. The difference is recorded in retained profits.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transfer assets. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(iii) Disposal of subsidiaries

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

Gains and losses of the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(iv) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

A Consolidation (continued)

(iv) Joint arrangements (continued)

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

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

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

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

(v) Associated companies

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in statements of income, and the Group's share of post-acquisition in reserves is recognised in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount. The Group presents the impairment loss adjacent to 'share of results of associated company' in the statements of income.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

A Consolidation (continued)

(v) Associated companies (continued)

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to statements of income where appropriate.

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

(vi) Loss of joint control or significant influence

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

(vii) Investments in subsidiaries and associated companies

In the Bank's separate financial statements, investments in subsidiaries and associated companies are carried at cost less any accumulated impairment losses. On disposal of investments in subsidiaries and associated companies, the difference between disposal proceeds and the carrying amount of investments are recognised in the statements of income.

If assets, including a subsidiary or associate, are transferred by means of a dividend between entities under common control, the transferee recognises the dividend at the fair value of the investments or assets received. Dividends are to be recognised in statements of income.

Investments in debt instruments issued by subsidiary companies at amortised cost are measured in accordance with Note D.

B Recognition of interest/profit income and interest/profit expense

Interest and financing income and expense for all interest/profit bearing financial instruments are recognised within interest income and interest expense and income from Islamic Banking business in the statements of income using the effective interest/profit method. Interest/profit income from financial assets at fair value through profit or loss is disclosed as separate line item in statements of income.

The effective interest/profit method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest and financing income or interest/profit expense over the relevant period. The effective interest/profit rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest/profit rate, the Group and the Bank take into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest/profit rate, but not future credit losses.

Interest/profit income is calculated by applying the effective interest/profit rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest/profit rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

C Recognition of fees and other income

The Group and the Bank earn fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income are recognised when the Group and the Bank have satisfied its performance obligation in providing the promised products and services to the customer, and are recognised based on contractual rates or amount agreed with customers, and net of expenses directly related to it. The Group and the Bank generally satisfy its performance obligation and recognise the fee and commission income on the following basis:

* Transaction-based fee and commission income is recognised on the completion of the transaction. Such fees include fees related to the completion of corporate advisory transactions, commissions, service charges and fees, credit card related fees and fees on loans, advances and financing. These fees constitute a single performance obligation.

* For a service that is provided over a period of time, fee and commission income is recognised on an equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services will be billed periodically over time. Such fees include guarantee fees and commitment fees.

The Group and the Bank do not provide any significant credit terms to customers for the above products and services.

Directly related expenses typically include card-related expenses and sales commissions, but do not include expenses for services delivered over a period (such as service contracts) and other expenses that are not specifically related to fee and commission income transactions.

Other income recognition are as follows:

a) Dividends are recognised when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence. Dividend income received from subsidiary companies, joint venture, associated companies, financial assets at fair value through profit or loss and financial investments at fair value through other comprehensive income are recognised as non-interest income in statements of income. Dividends that clearly represent a recovery of part of the cost of investment is recognised in other comprehensive income if it relates to an investment in equity instruments measured at fair value through other comprehensive income.

b) Net gain or loss from disposal of financial assets at fair value through profit or loss and debt instruments at fair value through other comprehensive income are recognised in statements of income upon disposal of the securities, as the difference between net disposal proceeds and the carrying amount of the securities.

D Financial assets

(i) Classification

The Group and the Bank have applied MFRS 9 and classified its financial assets in the following measurement categories in accordance with MFRS 9 requirements:

- those to be measured subsequently at fair value (either through other comprehensive income ("OCI") or through profit or loss); and
- those to be measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

D Financial assets (continued)

(i) Classification (continued)

The Group and the Bank reclassify debt investments when and only when its business model for managing those assets changes. The Group and the Bank do not change the classification of the remaining financial assets held in the business model, but consider the circumstances leading to the model change when assessing newly originated or newly purchased financial assets going forward.

Business model assessment

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

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

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

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Bank commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Bank have transferred substantially all the risks and rewards of ownership.

(iii) Measurement

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

D Financial assets (continued)

(iii) Measurement (continued)

Debt instruments

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

(a) Amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at fair value through profit or loss, are measured at amortised cost using the effective interest method. Interest/profit income from these financial assets is included in interest income and income from Islamic Banking business using the effective interest/profit rate method. Any gain or loss arising on derecognition is recognised directly in statements of income as presented in net realised gain or loss on financial instruments. Impairment losses are presented as separate line item (as per Note 37 and Note 38) in the statements of income.

(b) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the financial assets' cash flows represent SPPI, and that are not designated at fair value through profit or loss, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest/profit income and foreign exchange gains and losses which are recognised in statements of income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statements of income and recognised in net realised gain or loss on financial instruments. Interest/profit income from these financial assets is included in interest income and income from Islamic Banking business using the effective interest/profit rate method. Foreign exchange gains and losses are presented in other income and impairment losses are presented as separate line item (as per Note 38) in the statements of income.

(c) Fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The Group and the Bank may also irrevocably designate financial assets at fair value through profit or loss if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different basis. Fair value changes are recognised in statements of income and presented net within net unrealised gain or loss on revaluation in the period which it arises.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

D Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

The Group and the Bank subsequently measure all equity investments at fair value through profit or loss, except where the management has elected, at initial recognition to irrevocably designate an equity instrument at fair value through other comprehensive income. Where the Group's and the Bank's management have elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to statements of income following the derecognition of the investment. Cumulative gain or loss previously recognised in OCI is not subsequently reclassified to statements of income, but is to be transferred to retained profits. Dividends from such investments continue to be recognised in statements of income as other income when the Group's and the Bank's right to receive payments is established.

Changes in the fair value of equity instruments designated as financial assets at fair value through profit or loss are recognised in net unrealised gain or loss on revaluation in the statements of income.

(iv) Reclassification policy

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

However, it will be inappropriate to reclassify financial assets that have been designated at fair value through profit or loss, or equity instruments that have been designated as at fair value through other comprehensive income even when there is a change in business model. Such designations are irrevocable.

E Financial liabilities

Financial liabilities are measured at amortised cost, except for trading liabilities designated at fair value, which are held at fair value through profit or loss. Financial liabilities are initially recognised at fair value plus transaction costs for all financial liabilities not carried at fair value through profit or loss. Financial liabilities at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in statements of income. Financial liabilities are de-recognised when extinguished.

(i) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities as held-for-trading and financial liabilities designated at fair value through profit or loss upon initial recognition.

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

The Group and the Bank have also designated certain structured deposits at fair value through profit or loss as permitted under MFRS 9 'Financial Instruments' as it significantly reduces accounting mismatch that would otherwise arise from measuring the corresponding assets and liabilities on different basis.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

E Financial liabilities (continued)

(ii) Financial liabilities at amortised cost

Financial liabilities that are not classified as fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, financial liabilities are remeasured at amortised cost using the effective interest/profit rate.

Financial liabilities measured at amortised cost are deposits from customers, investment accounts of customers, deposits and placements of banks and other financial institutions, obligations on securities sold under repurchase agreements, bills and acceptances payable, lease liabilities, other financial liabilities, recourse obligation on loans/financing sold to Cagamas, Senior debts, Tier 2 subordinated bonds and Multi-currency additional Tier 1 capital securities.

F Property and equipment and depreciation

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

Freehold land is not depreciated as it has an infinite life. Other property and equipment are depreciated on a straight line basis to write off the cost of the assets to their residual values over their estimated useful lives, summarised as follows:

Leasehold land	Over the remaining period of the lease or 100 years (1%) whichever is shorter
Buildings on freehold land	2%
Buildings on leasehold land	Over the remaining period of the lease or 50 years (2%) whichever is shorter
Office furniture, fittings, equipment and renovations and computer equipment	10% - 33%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on assets under construction commences when the assets are ready for their intended use.

Property and equipment are reviewed for indication of impairment at each statements of financial position date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in other operating income.

Leased assets presented under Property and equipment and Prepaid lease payments are right-of-use assets within the scope of MFRS 16. See Note H for the accounting policies on right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

G Intangible assets

(i) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 years to 8 years.

(ii) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the acquisition date fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the net of the acquisition date fair value of the identifiable assets acquired and liabilities assumed. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in the statements of income.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes. Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less cost of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

H Leases

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Bank (i.e. the commencement date).

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

Lease term

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

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

H Leases (continued)

ROU assets

ROU assets are initially measured at cost comprising the following:

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

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

Lease liabilities

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

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Amounts expected to be payable by the Group and the Bank under residual value guarantees;
- The exercise price of a purchase and extension options if the Group and the Bank are reasonably certain to exercise that option;
- Lease payments to be made under an extension option if the Group and the Bank are reasonably certain to exercise the option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank exercising that option.

Lease payments are discounted using the interest/profit rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Bank, an incremental borrowing rate is used in determining the discount rate which assumes the interest/profit rate that the Group and the Bank would have to pay to borrow over a similar term, the funds necessary to obtain the asset.

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

The Group and the Bank present the lease liabilities as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the other interest expenses in the statements of income.

Short term leases and leases of low value assets

The Group and the Bank elect to apply MFRS 16 recognition exemption such as short-term leases and leases for which the underlying asset is of low value. Short-term leases are leases with a lease term of 12 months or less with no purchase option. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the statements of income.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

I Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the statements of income unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount of non-financial assets (other than goodwill) is recognised in the statements of income unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

J Current and deferred income taxes

The tax expense for the period comprises current and deferred income tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively. The liabilities in relation to tax penalties or its associated interest are included within the taxation liability on the statements of financial position and charged to the tax expense in the statements of income as under provision of prior year tax.

Current income tax expense is determined according to the tax laws enacted or substantively enacted at the end of the reporting period of each jurisdiction in which the Group and the Bank operate and generate taxable income and includes all taxes based upon the taxable profits.

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

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

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

J Current and deferred income taxes (continued)

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

Deferred tax liability is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled by the Group and the Bank and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group and the Bank are unable to control the reversal of the temporary difference for associates and joint ventures. Only where there is an agreement in place that gives the Group and the Bank the ability to control the reversal of the temporary difference, a deferred tax liability is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the deductible temporary difference can be utilised.

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

Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

Global minimum tax

The ultimate holding company and its subsidiaries group of which the Group is a part of, is within the scope of the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules whereby top-up tax on profits is required in any jurisdictions in which it operates when the blended effective tax rate in each of those jurisdictions is lower than the minimum effective tax rate of 15%.

There was no material top-up tax exposure in any jurisdictions/jurisdiction where the Group operates for the financial year ended 30 June 2026.

The Group has applied the temporary mandatory exception from accounting for deferred taxes arising from any top-up tax due to the Pillar Two model rules.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

K Derivative financial instruments and hedging

The Group and the Bank have elected an accounting policy choice under MFRS 9 to continue to apply the hedge accounting requirements under MFRS 139 for fair value macro hedges on the adoption of MFRS 9 on 1 July 2018.

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

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

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Bank designated certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge) or (2) hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge) or (3) hedges of a net investment in a foreign operation (net investment hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group and the Bank have applied the following Phase 1 reliefs provided by the Amendments to MFRS 9 and MFRS 7 'Interest Rate Benchmark Reform' until the uncertainty arising from IBOR reform no longer being present:

* When considering the 'highly probable' requirement, the Group and the Bank have assumed that the IBOR interest rate on which the Group's and the Bank's hedged borrowings is based does not change as a result of IBOR reform.

* In assessing whether the hedge is expected to be highly effective on a forward-looking basis, the Group and the Bank have assumed that the IBOR interest rate on which the cash flows of the hedged borrowings and the interest rate swap that hedges are based is not altered by IBOR reform.

* The Group and the Bank had recycled the cash flow hedge reserve for designated hedges that are subject to the IBOR reform.

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

* Hedge designation: When the Phase 1 amendments cease to apply, the Group and the Bank will amend its hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of the following changes:

    a) designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk;

    b) amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or

    c) amending the description of the hedging instrument.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

K Derivative financial instruments and hedging (continued)

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

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 10 to the financial statements. Movements on the hedging reserve in shareholders' equity are shown in Note 30.

(i) Fair value hedge

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

The Group and the Bank apply fair value hedge accounting for hedging fixed interest risk on loans, advances and financing and financial assets at FVOCI. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate loans, advances and financing is recognised in statements of income within other operating income. The gain or loss relating to the ineffective portion is recognised in statements of income within net gain or loss on fair value hedges.

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

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to statements of income over the period to maturity using a recalculated effective interest rate.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain and loss relating to the ineffective portion is recognised immediately in the statements of income. Amounts accumulated in equity are recycled to the statements of income in the financial periods in which the hedged item will affect statements of income.

When a hedging instrument expires or is sold or transferred, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the statements of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to the statements of income.

(iii) Derivatives that do not qualify for hedge accounting

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

L Currency translations

(i) Functional and presentation currency

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

(ii) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of income, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to items that form part of the net investment in a foreign operation.

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Translation differences such as equity held at fair value through profit or loss and assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities held at fair value through profit or loss are recognised in statements of income as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as financial assets at fair value through other comprehensive income are included in the fair value reserve in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

L Currency translations (continued)

(iii) Group companies (continued)

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences relating to that foreign operation recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to statements of income. In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or jointly controlled entities that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to statements of income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

M Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

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

(ii) Defined contribution plan

A defined contribution plan is a pension plan under which the Group and the Bank pay fixed contributions into a separate entity (a fund) on a mandatory, contractual or voluntary basis and the Group and the Bank have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior financial periods.

The Group and the Bank contribute to a national defined contribution plan (the Employee Provident Fund) on a mandatory basis and the amounts contributed to the plan are charged to the statements of income in the financial period to which they relate. Once the contributions have been paid, the Group and the Bank have no further payment obligations.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

M Employee benefits (continued)

(iii) Share-based compensation

The Bank operates an equity-settled, share-based compensation plan for the employees of the Bank under which the Bank receives services from employees as consideration for equity instruments (options) of the Bank. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense in the statements of income over the vesting periods of the grant with a corresponding increase to share options reserve within equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the Bank revises its estimates of the number of share options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision of original estimates, if any, in the statement of income, with a corresponding adjustment to share options reserve in equity.

A trust has been set up for the Executive Share Option Scheme ("ESOS") and is administered by an appointed trustee. The trustee will be entitled from time to time to accept financial assistance from the Bank upon such terms and conditions as the Bank and the trustee may agree to purchase the Bank's shares from the open market for the purposes of this trust.

In accordance with MFRS 132 'Financial Instruments: Presentation', the shares purchased for the benefit of the ESOS holders are recorded as "Treasury Shares" in equity on the statements of financial position. The cost of operating the ESOS scheme would be charged to the statements of income when incurred in accordance with accounting standards.

When the options are exercised, the Bank transfers the Treasury shares for ESOS scheme to the ESOS holder. The Treasury shares and share options reserve would be adjusted against the retained earnings.

When the options are exercised, the Bank may also issue new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital.

When options are not exercised and lapsed, the share options reserve is transferred to retained earnings.

N Impairment of financial assets

The Group and the Bank assess on a forward-looking basis the expected credit losses ("ECL") associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Bank assess whether the credit risk on an exposure has increased significantly on an individual or collective basis. The Group and the Bank first assess whether objective evidence of impairment exists for financial assets which are individually significant. If the Group and the Bank determine the objective evidence of impairment exists, i.e. credit-impaired for an individually assessed financial asset, a lifetime ECL will be recognised for impairment loss. Financial assets which are collectively assessed are grouped on the basis of similar credit risk characteristics.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

N Impairment of financial assets (continued)

The Group and the Bank have adopted the general approach for ECL.

Financial assets accounted for at amortised cost, fair value through other comprehensive income and with the exposure arising from loan commitments and financial guarantee contracts - General Approach

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

(a) Stage 1: 12-month ECL - not credit impaired

Stage 1 includes financial assets which have not had a significant increase in credit risk since initial recognition or which have low credit risk at reporting date. 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.

(b) Stage 2: Lifetime ECL - not credit impaired

Stage 2 includes financial assets which have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Lifetime ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.

(c) Stage 3: Lifetime ECL - credit impaired

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. Lifetime ECL is recognised and interest income is calculated on the net carrying amount of the financial assets.

Significant increase in credit risk

At each reporting date, the Group and the Bank assess whether there has been a significant increase in credit risk for exposures since initial recognition to determine whether the exposure is subject to 12-month ECL or lifetime ECL. This is performed by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. When determining whether the risk of default has increased significantly since initial recognition, the Group and the Bank consider both quantitative and qualitative information and assessments based on the Group's and the Bank's historical experience and credit risk assessments, including forward-looking information. A backstop of 30 days or 1 month past due from its contractual payment is applied and a financial asset will still be designated as having significant increase in credit risk regardless if it meets both the quantitative and qualitative assessments.

Definition of default and credit-impaired financial assets

At each reporting period, the Group and the Bank assess whether financial assets are impaired. Qualitative and quantitative information are used to determine if a financial asset is credit impaired. Nevertheless, a backstop is applied and a financial asset is considered as credit impaired if it is more than 90 days or 3 months past due on its contractual payments.

As part of the assessment of impairment of financial assets under ECL model, the default definition, which is largely aligned with regulatory reporting purposes, has been applied to three main components, which is a probability of default ("PD") model, a loss given default ("LGD") model and exposure at default ("EAD") model respectively.

Where measurement of ECL is relying on external published sources, in determining if a financial asset is credit-impaired, the Group and the Bank will consider factors, such as, but not limited to, rating agencies' assessment of creditworthiness and country's ability to access to capital markets for new debt issuance.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

N Impairment of financial assets (continued)

Financial assets accounted for at amortised cost, fair value through other comprehensive income and with the exposure arising from loan commitments and financial guarantee contracts - General Approach (continued)

Measurement of ECL

ECL are measured using three main components, which include PD, LGD and EAD. These components are derived from internally developed statistical models and adjusted to reflect forward-looking information as set out below.

The 12-month and lifetime PD represent the expected point-in-time probability of default over the next 12 months and remaining lifetime of a financial instrument, based on conditions that exist at the reporting date and taking into consideration of future economic conditions that affect credit risk. The LGD component represents that expected loss if a default event occurs at a given time, taking into account the mitigating effect of collateral, its expected value when realised and time value of money. The EAD represents the expected exposure at default, taking into account the repayment of principal and interest from the reporting date to the default event together with expected drawdown and utilisation of a facility. The 12-month ECL is equal to the discounted sum over the next 12 months of monthly PD multiplied by LGD and EAD. The discount rate used in the ECL measurement is the original effective interest/profit rate or an approximation thereof.

The measurement of ECL reflects an unbiased and probability-weighted amount that is derived by evaluating a range of possible macroeconomic outcome, the time value of money together with reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecast of future economic conditions.

Forward-looking information

The Group and the Bank have internally developed methodologies for the application of forward-looking macroeconomic variables ("MEV") which consist of economic indicators and industry statistics in the measurement of ECL. This involves the incorporation of MEV forward-looking into PD estimation, which is determined based on probability-weighted outcome from a range of economic scenarios.

The measurement of ECL incorporates a broad range of forward-looking information as economic inputs, such as but not limited to:

- Gross Domestic Product ("GDP")
- Banking System Credit
- Private Consumption
- House Price Index

The Group and the Bank apply three economic scenarios to reflect an unbiased probability-weighted range of possible future outcome in estimating ECL:

Base case: This represents 'most likely outcome' of future economic conditions which are backed by consensus forecast from various sources.

Best and Worst case: These represent the 'upside' and 'downside' outcome of future economic conditions by making references to past historical cyclical conditions together with incorporation of best estimates and judgements on an unbiased basis.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

N Impairment of financial assets (continued)

Financial assets accounted for at amortised cost, fair value through other comprehensive income and with the exposure arising from loan commitments and financial guarantee contracts - General Approach (continued)

Modification of loans/financing

The Group and the Bank may renegotiate or otherwise modify the contractual cash flows of loans/financing to customers. When this happens, the Group and the Bank assess whether or not the new terms are substantially different to the original terms.

The Group and the Bank do this by considering, among others, the following factors:

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

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

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

O Derecognition of financial assets and financial liabilities other than on a modification

Financial assets are derecognised when the contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

Collateral furnished by the Bank under standard repurchase agreements transactions is not derecognised because the Bank retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

P Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Q Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group or the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued and the liability is initially measured at fair value.

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

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

R Foreclosed properties

Foreclosed properties are stated at the lower of carrying amount and fair value less cost to sell.

S Bills and acceptances payable

Bills and acceptances payable represent the Group's and the Bank's own bills and acceptances rediscounted and outstanding in the market.

T Provisions

Provisions are recognised by the Group and the Bank when all of the following conditions have been met:

(i) the Group and the Bank have a present legal or constructive obligation as a result of past events;
(ii) it is probable that an outflow of resources to settle the obligation will be required; and
(iii) a reliable estimate of the amount of obligation can be made.

Where the Group and the Bank expect a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

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

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

U Cash and cash equivalents

Cash and short-term funds in the statements of financial position comprise cash balances and deposits with financial institutions and money at call with a maturity of one month or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash and short-term funds and deposits and placements with financial institutions, with original maturity of 3 months or less.

V Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources and assesses the performance of the operating segments of an entity. The Group has determined the Board of Directors as the collective body of chief operating decision makers.

Segment income, expense, assets and liabilities are those amount resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

W Share capital

(i) Classification

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

(ii) Share issue costs

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

(iii) Dividends

Distributions to shareholders are recognised directly in equity. Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

(iv) Purchase of own shares

The Bank has repurchased its shares and designated as treasury shares in accordance with MFRS 132 'Financial Instruments: Presentation'. Treasury shares consist of those own shares purchased pursuant to Section 127 of the Companies Act 2016 and those purchased pursuant to ESOS scheme.

Where the Bank or its subsidiaries purchases the Bank's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs, net of tax, is deducted from equity attributable to the Bank's equity holders as treasury shares until they are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is adjusted against treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

X Contingent assets and contingent liabilities

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

Y Sale and repurchase agreements

Securities purchased under resale agreements are securities which the Group had purchased with a commitment to re-sell at future dates. The commitment to re-sell the securities is reflected as an asset on the statements of financial position.

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

The difference between the sale and repurchase price as well as purchase and resale price is treated as interest and accrued over the life of the resale/repurchase agreement using the effective yield method.

Z Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

* the profit attributable to owners of the Bank, excluding any costs of servicing equity other than ordinary shares.
* by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

* the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
* the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

AA Investment Account

Unrestricted Investment Account-i ("URIA") refers to a type of investment account structured based on a profit sharing (Mudarabah) contract. Mudarabah is a Shariah-compliant contract between Investment Account Holders ("IAH") as capital providers or investor (Rabbul-mal) and the Bank's subsidiary, Hong Leong Islamic Bank Berhad ("HLISB") as the fund manager (Mudarib). Any profit generated from the investment is shared between the IAH and HLISB according to a mutually pre-agreed Profit Sharing Ratio. Financial losses from the investment activities are borne by the IAH except where such losses are due to HLISB misconduct, negligence, or breach of specified terms. The URIA and financing assets funded by the URIA are recorded in HLISB and the Group's financial statement as its liabilities and assets in accordance with MFRS 9. Risk weighted assets funded by the Investment Account are excluded from the calculation of capital ratio of HLISB and the Group.

Restricted Investment Account-i ("RIA") refers to a type of investment account where the IAH, provides a specific investment mandate to the Bank such as purpose and/or period for investment. The RIA is based on shariah principle of Wakalah bi Al-Istithmar, an agency contract where the investor authorises HLISB, as investment agent (Wakil) to manage the customers' investment on their behalf. Profit generated from the investment will be distributed to the IAH during the Profit Distribution Period.

AB Financial assistance scheme

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

The benefits of such schemes that addresses identified costs or expenses incurred by the Group and the Bank is recognised in the statements of income in the same financial period in accordance with MFRS 120 'Accounting for Government Grants and Disclosure of Government Assistance'.

3 CASH AND SHORT-TERM FUNDS

	The Group		The Bank	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Cash and balances with banks and other financial institutions	**2,836,250**	1,584,179	**2,267,659**	953,658
Money at call and deposit placements maturing within one month	**8,046,939**	8,406,855	**6,865,667**	6,839,293
	10,883,189	9,991,034	**9,133,326**	7,792,951
Less: Expected credit losses	**(112)**	(162)	**(763)**	(196)
	10,883,077	9,990,872	**9,132,563**	7,792,755

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

4 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Licensed banks	**23,793**	2,661,849	**5,073**	3,127,170
Licensed investment banks	**-**	370,065	**-**	370,065
Central banks	**-**	16,671	**-**	-
Other financial institutions	**-**	201,056	**-**	201,056
	23,793	3,249,641	**5,073**	3,698,291
Less: Expected credit losses	**(40)**	(122)	**(74)**	(122)
	23,753	3,249,519	**4,999**	3,698,169

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

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Money market instruments				
Bank Negara Malaysia bills	**485,418**	499,814	**485,418**	499,814
Government treasury bills	**51,668**	945,155	**51,668**	945,155
Malaysian Government securities	**2,478,762**	485,701	**2,478,762**	485,701
Malaysian Government investment certificates	**1,447,596**	2,058,193	**596,803**	1,546,919
Cagamas bonds	**-**	20,431	**-**	20,431
	4,463,444	4,009,294	**3,612,651**	3,498,020
Quoted securities				
Shares in Malaysia	**339,934**	392,117	**339,934**	392,117
Wholesale fund/unit trust	**1,348,742**	2,239,039	**1,348,742**	2,239,039
Portfolio Investment Accounts (Note)	**193**	708	**-**	-
Foreign currency bonds in Malaysia	**53,914**	172,471	**53,914**	172,471
Foreign currency bonds outside Malaysia	**54,778**	97,741	**54,778**	97,741
	1,797,561	2,902,076	**1,797,368**	2,901,368
Unquoted securities				
Corporate bonds and sukuk	**633,647**	654,609	**47,982**	89,703
Shares in Malaysia	**421,673**	400,379	**421,673**	400,379
Foreign currency bonds outside Malaysia	**15,238**	24,439	**15,238**	24,439
	1,070,558	1,079,427	**484,893**	514,521
	7,331,563	7,990,797	**5,894,912**	6,913,909

Note:
Included in financial assets at FVTPL are the underlying assets for the Portfolio Investment Accounts ("PIA"). PIA is the restricted investment account offered to investors based on the Shariah principle of Wakalah bi Al-Istithmar, an agency contract where the investor authorises Hong Leong Islamic Bank to manage the customers' investment on their behalf.

6 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
At fair value				
(a) Debt instruments	**36,801,035**	37,166,143	**29,906,664**	28,857,794
(b) Equity instruments	**388,832**	162,181	**388,832**	162,181
	37,189,867	37,328,324	**30,295,496**	29,019,975
(a) Debt instruments				
Money market instruments				
Government treasury bills	**2,458,795**	1,849,950	**2,458,795**	1,849,950
Malaysian Government securities	**4,141,856**	2,641,277	**4,141,856**	2,641,277
Malaysian Government investment certificates	**12,417,219**	12,435,488	**7,287,055**	7,090,696
Negotiable instruments of deposit	**505,287**	2,112,919	**505,278**	370,670
Other Government securities	**330,882**	85,422	**330,882**	85,422
Cagamas bonds	**3,642,819**	3,271,310	**3,046,949**	2,935,852
Khazanah bonds	**207,391**	219,740	**207,391**	219,740
	23,704,249	22,616,106	**17,978,206**	15,193,607
Quoted securities				
Government sukuk	**33,121**	416,959	**33,121**	416,959
Foreign currency bonds in Malaysia	**1,714,700**	2,326,154	**1,714,700**	2,326,154
Foreign currency bonds outside Malaysia	**1,464,346**	1,878,104	**1,464,346**	1,878,104
	3,212,167	4,621,217	**3,212,167**	4,621,217
Unquoted securities				
Corporate bonds and sukuk	**6,947,486**	7,274,540	**5,779,965**	6,391,151
Foreign currency bonds in Malaysia	**-**	170,792	**-**	170,792
Foreign currency bonds outside Malaysia	**2,937,133**	2,483,488	**2,936,326**	2,481,027
	9,884,619	9,928,820	**8,716,291**	9,042,970
	36,801,035	37,166,143	**29,906,664**	28,857,794

Included in the debt instruments at FVOCI are securities which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group and the Bank amounting to RM2,032,883,000 (2025: RM1,358,433,000).

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The expected credit losses is recognised in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

6 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") (CONTINUED)

Movements in expected credit losses of debt instruments at FVOCI are as follows:

The Group	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2026				
At 1 July	**2,444**	**-**	**4,287**	**6,731**
New financial assets originated or purchased	**1,457**	**-**	**-**	**1,457**
Financial assets derecognised	**(1,555)**	**-**	**-**	**(1,555)**
Changes due to change in credit risk	**(44)**	**-**	**-**	**(44)**
Changes in models/risk parameters	**(20)**	**-**	**-**	**(20)**
Exchange differences	**(65)**	**-**	**-**	**(65)**
At 30 June	**2,217**	**-**	**4,287**	**6,504**

The Group	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2025				
At 1 July	3,001	-	4,287	7,288
New financial assets originated or purchased	1,344	-	-	1,344
Financial assets derecognised	(1,330)	-	-	(1,330)
Changes due to change in credit risk	(275)	-	-	(275)
Changes in models/risk parameters	(20)	-	-	(20)
Exchange differences	(276)	-	-	(276)
At 30 June	2,444	-	4,287	6,731

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

6 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") (CONTINUED)

Movements in expected credit losses of debt instruments at FVOCI are as follows: (continued)

The Bank	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2026				
At 1 July	**2,379**	**-**	**4,287**	**6,666**
New financial assets originated or purchased	**1,442**	**-**	**-**	**1,442**
Financial assets derecognised	**(1,531)**	**-**	**-**	**(1,531)**
Changes due to change in credit risk	**(45)**	**-**	**-**	**(45)**
Changes in models/risk parameters	**(18)**	**-**	**-**	**(18)**
Exchange differences	**(65)**	**-**	**-**	**(65)**
At 30 June	**2,162**	**-**	**4,287**	**6,449**

The Bank	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2025				
At 1 July	2,973	-	4,287	7,260
New financial assets originated or purchased	1,279	-	-	1,279
Financial assets derecognised	(1,303)	-	-	(1,303)
Changes due to change in credit risk	(277)	-	-	(277)
Changes in models/risk parameters	(18)	-	-	(18)
Exchange differences	(275)	-	-	(275)
At 30 June	2,379	-	4,287	6,666

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(b) Equity instruments				
Quoted securities:				
Shares in Malaysia	**194,936**	-	**194,936**	-
Unquoted securities:				
Shares in Malaysia	**167,585**	144,681	**167,585**	144,681
Shares outside Malaysia	**26,311**	17,500	**26,311**	17,500
	388,832	162,181	**388,832**	162,181

The Group and the Bank designated certain investments shown in the following table as equity instruments under FVOCI, which is held for socio-economic purposes or not for trading purposes.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

6 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") (CONTINUED)

The Group and The Bank	Fair value RM'000	Dividend income recognised during the financial year RM'000
2026		
Securities:		
RAM Holdings Berhad	**6,737**	**3,805**
Payments Network Malaysia Sdn Bhd	**158,561**	**-**
Sichuan Jincheng Consumer Finance Limited Company	**17,809**	**444**
Alliance Bank Malaysia Berhad	**194,936**	**-**
Others	**10,789**	**-**
	388,832	**4,249**

The Group and The Bank	Fair value RM'000	Dividend income recognised during the financial year RM'000
2025		
Securities:		
RAM Holdings Berhad	7,174	522
Payments Network Malaysia Sdn Bhd	135,385	-
Sichuan Jincheng Consumer Finance Limited Company	17,500	-
Others	2,122	-
	162,181	522

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

7 FINANCIAL INVESTMENTS AT AMORTISED COST

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Money market instruments				
Malaysian Government securities	**6,808,291**	4,852,337	**6,808,291**	4,852,337
Malaysian Government investment certificates	**13,898,427**	19,582,932	**11,013,339**	14,487,519
Cagamas bonds	**1,350,938**	1,115,076	**948,006**	562,874
Other Government securities	**194,695**	267,001	**163,224**	217,199
	22,252,351	25,817,346	**18,932,860**	20,119,929
Unquoted securities				
Corporate bonds and sukuk	**2,808,671**	887,034	**1,413,475**	826,210
Less: Expected credit losses	**-**	(3)	**-**	-
	25,061,022	26,704,377	**20,346,335**	20,946,139

Included in the financial investments at amortised cost are securities which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group and the Bank amounting to RM4,288,884,000 (2025: RM5,162,254,000).

Movements in expected credit losses of financial investments at amortised cost are as follows:

The Group	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2026				
At 1 July	**3**	**-**	**-**	**3**
Changes due to change in credit risk	**1**	**-**	**-**	**1**
Changes in models/risk parameters	**(3)**	**-**	**-**	**(3)**
Exchange differences	**(1)**	**-**	**-**	**(1)**
At 30 June	**-**	**-**	**-**	**-**

The Group	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2025				
At 1 July	14	-	-	14
Changes due to change in credit risk	(10)	-	-	(10)
Changes in models/risk parameters	(1)	-	-	(1)
At 30 June	3	-	-	3

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

7 FINANCIAL INVESTMENTS AT AMORTISED COST (CONTINUED)

Movements in the carrying amount of financial investments at amortised cost that contributed to changes in the expected credit losses are as follows:

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2026				
At 1 July	**26,704,380**	**-**	**-**	**26,704,380**
New financial assets originated or purchased	**12,496,607**	**-**	**-**	**12,496,607**
Financial assets derecognised	**(14,050,075)**	**-**	**-**	**(14,050,075)**
Changes in interest/profit accrual and accretion/amortisation	**(76,030)**	**-**	**-**	**(76,030)**
Changes in models/risk parameters	**(1)**	**-**	**-**	**(1)**
Exchange differences	**(12,937)**	**-**	**-**	**(12,937)**
Other movements	**(922)**	**-**	**-**	**(922)**
At 30 June	**25,061,022**	**-**	**-**	**25,061,022**

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
At 1 July	31,152,170	-	-	31,152,170
New financial assets originated or purchased	1,484,808	-	-	1,484,808
Financial assets derecognised	(6,026,180)	-	-	(6,026,180)
Changes in interest/profit accrual and accretion/amortisation	142,042	-	-	142,042
Changes in models/risk parameters	(1,048)	-	-	(1,048)
Exchange differences	(44,173)	-	-	(44,173)
Other movements	(3,239)	-	-	(3,239)
At 30 June	26,704,380	-	-	26,704,380

7 FINANCIAL INVESTMENTS AT AMORTISED COST (CONTINUED)

Movements in the carrying amount of financial investments at amortised cost that contributed to changes in the expected credit losses are as follows: (continued)

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2026				
At 1 July	**20,946,139**	**-**	**-**	**20,946,139**
New financial assets originated or purchased	**9,901,094**	**-**	**-**	**9,901,094**
Financial assets derecognised	**(10,433,939)**	**-**	**-**	**(10,433,939)**
Changes in interest accrual and accretion/ amortisation	**(55,197)**	**-**	**-**	**(55,197)**
Exchange differences	**(10,840)**	**-**	**-**	**(10,840)**
Other movements	**(922)**	**-**	**-**	**(922)**
At 30 June	**20,346,335**	**-**	**-**	**20,346,335**

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
At 1 July	22,566,813	-	-	22,566,813
New financial assets originated or purchased	1,484,808	-	-	1,484,808
Financial assets derecognised	(2,951,114)	-	-	(2,951,114)
Changes in interest accrual and accretion/ amortisation	(114,512)	-	-	(114,512)
Exchange differences	(36,617)	-	-	(36,617)
Other movements	(3,239)			(3,239)
At 30 June	20,946,139	-	-	20,946,139

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

8 LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Overdrafts	**4,163,584**	4,172,873	**2,620,839**	2,738,670
Term loans/financing:				
- Housing and shop loans/financing	**116,503,271**	109,117,242	**89,511,494**	84,005,019
- Hire purchase receivables	**26,597,965**	24,507,501	**18,552,495**	17,218,636
- Ijarah receivables	**226,432**	238,897	**-**	-
- Other term loans/financing and syndicated term loans	**41,653,189**	38,662,878	**27,952,927**	25,841,494
Credit/charge card receivables	**3,995,885**	3,780,270	**3,995,885**	3,780,270
Bills receivable	**4,697,805**	4,708,118	**4,180,723**	4,167,141
Trust receipts	**415,945**	460,801	**280,413**	305,784
Claims on customers under acceptance credits	**10,496,328**	10,243,085	**8,685,752**	8,389,806
Revolving credit	**17,423,233**	14,056,893	**12,591,866**	10,230,234
Staff loans/financing	**113,924**	115,199	**89,756**	95,858
Gross loans, advances and financing	**226,287,561**	210,063,757	**168,462,150**	156,772,912
Fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges	**11,069**	8,818	**11,086**	9,629
Allowance for impairment losses:				
- Expected credit losses	**(1,033,463)**	(1,107,985)	**(674,125)**	(751,255)
Total net loans, advances and financing	**225,265,167**	208,964,590	**167,799,111**	156,031,286

Included in loans, advances and financing are housing loans sold to Cagamas with recourse to the Group and the Bank amounting to RM2,019,848,000 (2025: RM2,417,047,000) and RM1,722,796,000 (2025: RM1,457,698,000) respectively.

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(i) The maturity structure of loans, advances and financing is as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Maturing within:				
- One year	**45,337,693**	41,527,918	**35,374,643**	32,707,165
- One year to three years	**7,141,241**	6,067,981	**5,856,322**	4,912,280
- Three years to five years	**13,442,955**	12,447,211	**10,332,727**	9,584,928
- Over five years	**160,365,672**	150,020,647	**116,898,458**	109,568,539
Gross loans, advances and financing	**226,287,561**	210,063,757	**168,462,150**	156,772,912

(ii) The loans, advances and financing are disbursed to the following types of customers:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Domestic non-bank financial institutions other than stockbroking companies	**2,876,410**	2,224,222	**2,723,004**	2,021,780
Domestic business enterprises:				
- Small and medium enterprises	**44,607,663**	40,580,142	**30,734,874**	28,597,058
- Others	**32,047,616**	30,499,802	**24,877,323**	23,220,256
Government and statutory bodies	**183**	507	**-**	-
Individuals	**140,482,381**	130,668,880	**104,294,289**	97,204,064
Other domestic entities	**178,690**	102,731	**3,749**	4,214
Foreign entities	**6,094,618**	5,987,473	**5,828,911**	5,725,540
Gross loans, advances and financing	**226,287,561**	210,063,757	**168,462,150**	156,772,912

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(iii) Loans, advances and financing analysed by interest rate/profit rate sensitivity are as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Fixed rate:				
- Housing and shop loans/financing	**4,416,901**	4,882,958	**3,847,631**	3,923,797
- Hire purchase receivables	**26,401,604**	24,475,716	**18,375,369**	17,191,291
- Credit card	**3,995,885**	3,780,270	**3,995,885**	3,780,270
- Other fixed rate loans/financing	**5,068,735**	4,857,127	**3,532,412**	3,462,509
Variable rate:				
- Standardised base rate/base rate/ base lending rate plus	**151,369,554**	141,453,220	**113,709,871**	106,958,663
- Cost plus	**34,895,424**	30,530,605	**24,901,897**	21,454,680
- Other variable rates	**139,458**	83,861	**99,085**	1,702
Gross loans, advances and financing	**226,287,561**	210,063,757	**168,462,150**	156,772,912

(iv) Loans, advances and financing analysed by their economic purposes are as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Purchase of securities	**1,092,804**	981,406	**840,761**	732,753
Purchase of transport vehicles	**25,491,231**	24,154,806	**17,431,185**	16,841,083
Residential property (housing)	**107,120,947**	100,474,657	**81,135,368**	76,405,398
Non-residential property	**29,747,283**	26,375,986	**21,764,705**	19,384,552
Purchase of fixed assets (excluding landed properties)	**1,702,769**	1,693,808	**1,045,353**	1,128,540
Personal use	**5,276,010**	4,609,951	**3,354,184**	2,815,789
Credit card	**3,995,885**	3,780,270	**3,995,885**	3,780,270
Construction	**7,941,119**	6,862,749	**5,249,340**	4,664,656
Working capital	**42,022,903**	39,821,266	**32,439,912**	30,124,510
Other purpose	**1,896,610**	1,308,858	**1,205,457**	895,361
Gross loans, advances and financing	**226,287,561**	210,063,757	**168,462,150**	156,772,912

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(v) Loans, advances and financing analysed by their geographical distribution are as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
In Malaysia	**209,143,278**	195,334,262	**155,368,263**	146,043,845
Outside Malaysia:				
- Singapore	**12,994,802**	10,698,706	**12,994,802**	10,698,706
- Hong Kong	**99,085**	30,361	**99,085**	30,361
- Vietnam	**2,455,829**	2,179,462	**-**	-
- Cambodia	**1,594,567**	1,820,966	**-**	-
Gross loans, advances and financing	**226,287,561**	210,063,757	**168,462,150**	156,772,912

(vi) Impaired loans, advances and financing analysed by their economic purposes are as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Purchase of securities	**2**	3	**-**	-
Purchase of transport vehicles	**130,778**	114,059	**72,061**	66,554
Residential property (housing)	**457,311**	413,275	**274,494**	251,064
Non-residential property	**139,378**	118,219	**98,407**	94,433
Purchase of fixed assets (excluding landed properties)	**4,278**	4,511	**4,278**	4,511
Personal use	**37,359**	33,446	**23,436**	19,186
Credit card	**28,598**	26,644	**28,598**	26,644
Construction	**24,209**	75,024	**10,197**	57,908
Working capital	**465,068**	343,683	**280,439**	203,609
Other purpose	**12,318**	15,385	**3,123**	10,645
Gross impaired loans, advances and financing	**1,299,299**	1,144,249	**795,033**	734,554

(vii) Impaired loans, advances and financing analysed by their geographical distribution are as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
In Malaysia	**1,046,917**	1,031,418	**656,121**	713,853
Outside Malaysia:				
- Singapore	**131,758**	20,701	**131,758**	20,701
- Hong Kong	**7,154**	-	**7,154**	-
- Vietnam	**735**	822	**-**	-
- Cambodia	**112,735**	91,308	**-**	-
Gross impaired loans, advances and financing	**1,299,299**	1,144,249	**795,033**	734,554

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(viii) Movements in expected credit losses for loans, advances and financing are as follows:

The Group	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2026				
At 1 July	**453,720**	**332,375**	**321,890**	**1,107,985**
Changes in ECL due to transfer within stages	**(51,762)**	**(166,533)**	**218,295**	**-**
Transfer to Stage 1	**9,145**	**(9,102)**	**(43)**	**-**
Transfer to Stage 2	**(60,618)**	**115,162**	**(54,544)**	**-**
Transfer to Stage 3	**(289)**	**(272,593)**	**272,882**	**-**
New financial assets originated	**50,190**	**978**	**202**	**51,370**
Financial assets derecognised	**(14,073)**	**(30,859)**	**(17,703)**	**(62,635)**
Changes due to change in credit risk	**717**	**140,587**	**160,622**	**301,926**
Modifications to contractual cash flows of financial asset	**(227)**	**428**	**-**	**201**
Changes in models/risk parameters	**67**	**3**	**24**	**94**
Amount written off	**-**	**-**	**(344,234)**	**(344,234)**
Exchange difference	**(633)**	**(426)**	**(2,435)**	**(3,494)**
Other movements	**-**	**-**	**(17,750)**	**(17,750)**
At 30 June	**437,999**	**276,553**	**318,911**	**1,033,463**

The Group	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2025				
At 1 July	902,823	341,901	369,010	1,613,734
Changes in ECL due to transfer within stages	(53,552)	(156,316)	209,868	-
Transfer to Stage 1	11,870	(11,786)	(84)	-
Transfer to Stage 2	(65,135)	124,110	(58,975)	-
Transfer to Stage 3	(287)	(268,640)	268,927	-
New financial assets originated	50,690	1,241	51	51,982
Financial assets derecognised	(17,150)	(49,347)	(22,908)	(89,405)
Changes due to change in credit risk	(428,572)	194,350	137,925	(96,297)
Modifications to contractual cash flows of financial asset	14	2,746	-	2,760
Amount written off	-	-	(350,264)	(350,264)
Exchange difference	(533)	(2,200)	(2,345)	(5,078)
Other movements	-	-	(19,447)	(19,447)
At 30 June	453,720	332,375	321,890	1,107,985

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(viii) Movements in expected credit losses for loans, advances and financing are as follows: (continued)

The Bank	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2026				
At 1 July	**334,448**	**207,545**	**209,262**	**751,255**
Changes in ECL due to transfer within stages	**(35,700)**	**(98,754)**	**134,454**	**-**
Transfer to Stage 1	**6,528**	**(6,491)**	**(37)**	**-**
Transfer to Stage 2	**(41,951)**	**79,088**	**(37,137)**	**-**
Transfer to Stage 3	**(277)**	**(171,351)**	**171,628**	**-**
New financial assets originated	**40,013**	**692**	**21**	**40,726**
Financial assets derecognised	**(11,771)**	**(17,240)**	**(9,534)**	**(38,545)**
Changes due to change in credit risk	**(5,840)**	**82,782**	**83,712**	**160,654**
Modifications to contractual cash flows of financial asset	**(224)**	**170**	**-**	**(54)**
Amount written off	**-**	**-**	**(228,757)**	**(228,757)**
Exchange difference	**(529)**	**(72)**	**(1,108)**	**(1,709)**
Other movements	**-**	**-**	**(9,445)**	**(9,445)**
At 30 June	**320,397**	**175,123**	**178,605**	**674,125**

The Bank	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2025				
At 1 July	665,344	223,723	220,616	1,109,683
Changes in ECL due to transfer within stages	(38,379)	(103,329)	141,708	-
Transfer to Stage 1	8,779	(8,712)	(67)	-
Transfer to Stage 2	(46,890)	84,476	(37,586)	-
Transfer to Stage 3	(268)	(179,093)	179,361	-
New financial assets originated	40,775	966	1	41,742
Financial assets derecognised	(13,561)	(31,620)	(14,185)	(59,366)
Changes due to change in credit risk	(319,890)	119,456	89,982	(110,452)
Modifications to contractual cash flows of financial asset	14	92	-	106
Amount written off	-	-	(221,708)	(221,708)
Exchange difference	145	(1,743)	218	(1,380)
Other movements	-	-	(7,370)	(7,370)
At 30 June	334,448	207,545	209,262	751,255

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(ix) Movements in the gross carrying amount of loans, advances and financing that contributed to changes in the expected credit losses are as follows:

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2026				
At 1 July	**202,393,170**	**6,526,338**	**1,144,249**	**210,063,757**
Total transfer within stages	**(1,517,713)**	**646,149**	**871,564**	**-**
Transfer to Stage 1	**2,176,232**	**(2,169,662)**	**(6,570)**	**-**
Transfer to Stage 2	**(3,666,579)**	**4,704,351**	**(1,037,772)**	**-**
Transfer to Stage 3	**(27,366)**	**(1,888,540)**	**1,915,906**	**-**
New financial assets originated	**31,606,187**	**64,326**	**751**	**31,671,264**
Financial assets derecognised	**(14,081,042)**	**(312,029)**	**(61,213)**	**(14,454,284)**
Changes due to additional drawdown/partial settlement	**850,026**	**(180,022)**	**(306,811)**	**363,193**
Modifications to contractual cash flows and unwinding of modification impact	**25,628**	**2,732**	**-**	**28,360**
Amount written off	**-**	**-**	**(345,048)**	**(345,048)**
Exchange difference	**(1,022,075)**	**(13,413)**	**(4,193)**	**(1,039,681)**
At 30 June	**218,254,181**	**6,734,081**	**1,299,299**	**226,287,561**

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
At 1 July	187,084,517	6,801,698	1,041,199	194,927,414
Total transfer within stages	(1,295,449)	538,727	756,722	-
Transfer to Stage 1	2,784,283	(2,794,223)	9,940	-
Transfer to Stage 2	(4,048,935)	5,160,832	(1,111,897)	-
Transfer to Stage 3	(30,797)	(1,827,882)	1,858,679	-
New financial assets originated	30,675,437	548,918	324	31,224,679
Financial assets derecognised	(13,881,342)	(496,785)	(57,418)	(14,435,545)
Changes due to additional drawdown/partial settlement	1,381,873	(866,242)	(238,604)	277,027
Modifications to contractual cash flows and unwinding of modification impact	49,108	13,496	-	62,604
Amount written off	-	-	(349,566)	(349,566)
Exchange difference	(1,620,974)	(13,474)	(8,408)	(1,642,856)
At 30 June	202,393,170	6,526,338	1,144,249	210,063,757

8 LOANS, ADVANCES AND FINANCING (CONTINUED)

(ix) Movements in the gross carrying amount of loans, advances and financing that contributed to changes in the expected credit losses are as follows: (continued)

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2026				
At 1 July	**151,863,092**	**4,175,266**	**734,554**	**156,772,912**
Total transfer within stages	**(965,599)**	**394,047**	**571,552**	**-**
Transfer to Stage 1	**1,505,488**	**(1,505,616)**	**128**	**-**
Transfer to Stage 2	**(2,445,225)**	**3,142,417**	**(697,192)**	**-**
Transfer to Stage 3	**(25,862)**	**(1,242,754)**	**1,268,616**	**-**
New financial assets originated	**25,760,953**	**36,464**	**52**	**25,797,469**
Financial assets derecognised	**(12,198,190)**	**(209,426)**	**(37,473)**	**(12,445,089)**
Changes due to additional drawdown/partial settlement	**(200,961)**	**(87,856)**	**(243,752)**	**(532,569)**
Modifications to contractual cash flows and unwinding of modification impact	**14,965**	**1,195**	**-**	**16,160**
Amount written off	**-**	**-**	**(228,862)**	**(228,862)**
Exchange difference	**(908,951)**	**(7,882)**	**(1,038)**	**(917,871)**
At 30 June	**163,365,309**	**4,301,808**	**795,033**	**168,462,150**

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
At 1 July	139,899,591	4,589,918	676,134	145,165,643
Total transfer within stages	(773,532)	243,309	530,223	-
Transfer to Stage 1	1,967,526	(1,986,503)	18,977	-
Transfer to Stage 2	(2,711,484)	3,435,197	(723,713)	-
Transfer to Stage 3	(29,574)	(1,205,385)	1,234,959	-
New financial assets originated	25,246,447	45,589	23	25,292,059
Financial assets derecognised	(11,283,702)	(392,884)	(41,663)	(11,718,249)
Changes due to additional drawdown/partial settlement	(11,294)	(311,449)	(208,734)	(531,477)
Modifications to contractual cash flows and unwinding of modification impact	28,158	6,091	-	34,249
Amount written off	-	-	(221,412)	(221,412)
Exchange difference	(1,242,576)	(5,308)	(17)	(1,247,901)
At 30 June	151,863,092	4,175,266	734,554	156,772,912

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

9 OTHER ASSETS

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Foreclosed properties	**46**	46	**46**	46
Sundry debtors and other prepayments	**276,030**	201,613	**240,816**	169,241
Dividends receivable	**372,451**	354,845	**372,451**	354,845
Settlement accounts	**1,626,342**	1,687,673	**1,625,640**	1,686,792
Treasury related receivables	**64,209**	108,946	**64,175**	108,946
Cash collateral pledged for derivative transactions	**573,306**	368,044	**573,306**	368,044
Other receivables	**353,791**	297,947	**334,959**	275,773
	3,266,175	3,019,114	**3,211,393**	2,963,687

10 DERIVATIVE FINANCIAL INSTRUMENTS

	Note	The Group		The Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Derivatives at fair value through profit or loss:					
- Interest rate swaps		**677,704**	1,058,004	**677,703**	1,013,057
- Cross currency swaps		**305,625**	338,771	**303,136**	336,479
- Foreign currency forwards		**985,279**	543,584	**882,063**	443,444
- Foreign currency options		**15,349**	9,974	**15,382**	10,017
- Futures		**-**	1,042	**-**	1,042
- Future options		**504**	3,502	**504**	3,502
- Equity options		**139,425**	114,277	**139,415**	114,275
- Swaption		**1,118**	2,252	**30,534**	73,280
- Commodity swap		**62,017**	77,480	**62,017**	77,480
- Total return swap		**29,656**	108,193	**29,656**	108,193
Derivatives designated as fair value hedge:					
- Interest rate swaps	(a)	**277**	1,420	**277**	1,420
Total derivative financial instruments assets		**2,216,954**	2,258,499	**2,140,687**	2,182,189

10 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Note	The Group		The Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Derivatives at fair value through profit or loss:					
- Interest rate swaps		**(978,787)**	(1,103,848)	**(813,964)**	(1,093,738)
- Cross currency swaps		**(52,881)**	(60,076)	**(53,196)**	(60,120)
- Foreign currency forwards		**(991,775)**	(1,113,444)	**(893,531)**	(956,717)
- Foreign currency options		**(13,650)**	(8,104)	**(13,683)**	(8,147)
- Futures		**(7,858)**	(12,954)	**(7,858)**	(12,954)
- Equity options		**(140,486)**	(86,411)	**(140,486)**	(86,411)
- Swaption		**(48,040)**	(79,097)	**(48,039)**	(79,097)
- Commodity swap		**(61,271)**	(77,436)	**(61,271)**	(77,436)
- Total return swap		**(29,656)**	(108,193)	**(29,656)**	(108,193)
Derivatives designated as fair value hedge:					
- Interest rate swaps	(a)	**-**	(318)	**-**	(307)
Total derivative financial instruments liabilities		**(2,324,404)**	(2,649,881)	**(2,061,684)**	(2,483,120)

(a) Fair value hedge

The Group and the Bank's fair value hedges principally consist of interest rate swaps that are used to protect against changes in the fair value of financial assets and financial liabilities due to movement in interest rates. The Group and the Bank have undertaken fair value hedges on interest rate risk of RM52,381,000 (2025: RM770,145,000) and RM50,000,000 (2025: RM753,478,000) respectively on certain receivables using interest rate swaps. The total fair value gain of the said interest rate swaps related to these hedges amounted to RM277,000 (2025: RM1,124,000) and RM277,000 (2025: RM1,113,000) for the Group and the Bank respectively.

Included in the net other operating income is the net gains and losses arising from fair value hedges that were effective during the financial year as follows:

	The Group and The Bank	
	2026 RM'000	2025 RM'000
Gain/(loss) on hedging instruments	**261**	(17,445)
(Loss)/gain on the hedged items attributable to the hedged risks	**(133)**	15,750
	128	(1,695)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

11 AMOUNT DUE FROM SUBSIDIARIES

	The Bank	
	2026 RM'000	2025 RM'000
Intercompany settlement	**28,757**	319,859

Amount due from subsidiaries is unsecured, interest free, repayable on demand and is denominated in Ringgit Malaysia.

12 STATUTORY DEPOSITS WITH CENTRAL BANKS

The non-interest bearing statutory deposits are maintained by the Bank and its subsidiary with Bank Negara Malaysia in compliance with Section 26(2)(c) of the Central Bank of Malaysia Act 2009, the amounts of which are determined at set percentages of total eligible liabilities. A foreign subsidiary of the Group and a foreign branch of the Bank also maintained non-interest bearing statutory deposits with their respective central banks in compliance with the respective applicable legislations.

13 DEFERRED TAXATION

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

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deferred tax assets	**142,818**	118,650	**106,435**	88,222

The analysis of deferred tax assets and deferred tax liabilities after appropriate set off is as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deferred tax assets				
- To be recovered within 12 months	**209,685**	214,512	**174,558**	180,413
- To be recovered after more than 12 months	**(66,867)**	(95,862)	**(68,123)**	(92,191)
	142,818	118,650	**106,435**	88,222

13 DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets and liabilities during the financial year are as follows:

The Group	Note	Property and equipment RM'000	Right -of-use assets RM'000	Lease liabilities RM'000	Financial instruments at FVOCI RM'000	Expected credit losses RM'000	Provisions RM'000	Total RM'000
Deferred tax assets/ (liabilities)								
2026								
At 1 July		**(79,372)**	**(43,246)**	**51,103**	**(13,958)**	**106,359**	**97,764**	**118,650**
(Charged)/ Credited to statements of income	41	**(612)**	**6,973**	**(9,039)**	**-**	**2,399**	**(7,994)**	**(8,273)**
Credited to equity	43	**-**	**-**	**-**	**31,822**	**-**	**-**	**31,822**
Exchange difference		**293**	**-**	**-**	**88**	**419**	**(181)**	**619**
At 30 June		**(79,691)**	**(36,273)**	**42,064**	**17,952**	**109,177**	**89,589**	**142,818**
2025								
At 1 July		(80,304)	(53,035)	61,508	77,395	168,355	88,197	262,116
Credited/ (Charged to) statements of income	41	578	9,789	(10,405)	-	(63,836)	10,892	(52,982)
Charged to equity	43	-	-	-	(91,148)	-	-	(91,148)
Exchange difference		354	-	-	(205)	1,840	(1,325)	664
At 30 June		(79,372)	(43,246)	51,103	(13,958)	106,359	97,764	118,650

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

13 DEFERRED TAXATION (CONTINUED)

The Bank	Note	Property and equipment RM'000	Right -of-use assets RM'000	Lease liabilities RM'000	Financial instruments at FVOCI RM'000	Expected credit losses RM'000	Provisions RM'000	Total RM'000
Deferred tax assets/ (liabilities)								
2026								
At 1 July		**(76,866)**	**(42,575)**	**50,323**	**(13,055)**	**82,134**	**88,261**	**88,222**
(Charged)/ Credited to statements of income	41	**(856)**	**(66,669)**	**64,656**	**-**	**(2,907)**	**(4,467)**	**(10,243)**
Credited to equity	43	**-**	**-**	**-**	**28,096**	**-**	**-**	**28,096**
Exchange difference		**272**	**-**	**-**	**88**	**-**	**-**	**360**
At 30 June		**(77,450)**	**(109,244)**	**114,979**	**15,129**	**79,227**	**83,794**	**106,435**
2025								
At 1 July		(77,963)	(51,964)	60,285	59,728	124,406	73,187	187,679
Credited/ (Charged to) statements of income	41	810	9,389	(9,962)	-	(42,272)	15,074	(26,961)
Charged to equity	43	-	-	-	(72,578)	-	-	(72,578)
Exchange difference		287	-	-	(205)	-	-	82
At 30 June		(76,866)	(42,575)	50,323	(13,055)	82,134	88,261	88,222

14 SUBSIDIARY COMPANIES

	The Group	
	2026 RM'000	2025 RM'000
Investment in subsidiary companies		
Unquoted shares, at cost		
- In Malaysia	**960,656**	961,284
- Outside Malaysia	**775,989**	775,989
	1,736,645	1,737,273
Subordinated facilities issued by subsidiary companies, at amortised cost:		
Multi-currency Additional Tier 1 subordinated sukuk wakalah financing facility issued by HLISB	**404,017**	404,017
Tier 2 subordinated sukuk murabahah financing facility issued by HLISB	**400,888**	400,888
Subordinated financing facility issued by Hong Leong Bank (Cambodia) PLC	**98,897**	102,396
	903,802	907,301
	2,640,447	2,644,574

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

14 SUBSIDIARY COMPANIES (CONTINUED)

The subsidiary companies of the Bank are as follows:

Name	Percentage (%) of equity held 2026	2025	Principal activities
(a) Hong Leong Islamic Bank Berhad ("HLISB")	**100**	100	Islamic Banking business and related financial services
(b) HLB Principal Investments (L) Limited and its subsidiary company:	**100**	100	Investment holding
- Promino Sdn Bhd	**100**	100	Holding of pooled motor vehicles for HLBB group's usage
(c) EB Realty Sendirian Berhad	**100**	100	In member's voluntary liquidation
(d) OBB Realty Sdn Bhd	**100**	100	Property investment
(e) HLF Credit (Perak) Bhd and its subsidiary companies:	**100**	100	Investment holding
(i) Gensource Sdn Bhd and its subsidiary company:	**100**	100	Investment holding
- Pelita Terang Sdn Bhd	**100**	100	Dormant
(ii) Promidah Sdn Bhd*	**100**	100	Dormant
(iii) HLB Realty Sdn Bhd	**100**	100	Property investment
(f) HLB Nominees (Tempatan) Sdn Bhd	**100**	100	Agent and nominee for Malaysian clients
(g) HLB Nominees (Asing) Sdn Bhd	**100**	100	Agent and nominee for foreign clients
(h) HLB Trade Services (Hong Kong) Limited*	**100**	100	Ceased operations
(i) Hong Leong Bank Vietnam Limited+	**100**	100	Commercial banking business
(j) Hong Leong Bank (Cambodia) PLC*	**100**	100	Commercial banking business
(k) Promilia Berhad	**100**	100	Holding of motor vehicles for HLBB group's usage
(l) DC Tower Sdn Bhd	**100**	100	Property management
(m) Unincorporated trust for ESOS Ω*	**-**	-	Special purpose vehicle

* Not audited by PricewaterhouseCoopers PLT

\+ Subsidiary audited by a member firm of PricewaterhouseCoopers which is a separate and independent legal entity from PricewaterhouseCoopers PLT, Malaysia.

Ω Deemed subsidiaries pursuant to MFRS 10 'Consolidated Financial Statements'

All the subsidiary companies are incorporated in Malaysia with the exception of HLB Trade Services (Hong Kong) Limited which is incorporated in Hong Kong, Hong Leong Bank Vietnam Limited which is incorporated in Vietnam and Hong Leong Bank (Cambodia) PLC which is incorporated in Cambodia.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

15 INVESTMENT IN ASSOCIATED COMPANIES

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Quoted shares outside Malaysia, at cost	**1,964,288**	1,964,288	**2,063,021**	2,063,021
Unquoted shares in Malaysia, at cost	**20**	20	**20**	20
Cumulative share of results, net of dividends received	**8,220,602**	7,254,325	**-**	-
Equity conversion option	**-**	55,757	**-**	-
Cumulative share of changes in other comprehensive income	**51,196**	30,653	**-**	-
Exchange fluctuation reserve	**115,973**	(94,402)	**-**	-
	10,352,079	9,210,641	**2,063,041**	2,063,041

(a) Information about associated companies

Name	Country of incorporation	The Group Percentage (%) of equity held 2026	2025	Principal activities
Bank of Chengdu Co., Ltd. ("BOCD")	China	**17.8%**	17.8%	Commercial banking
Community CSR Sdn Bhd ("CCSR")	Malaysia	**20.0%**	20.0%	Investment holding

Nature of relationship

(i) BOCD

On 25 October 2007, HLB entered into a Share Subscription Agreement with BOCD to subscribe for new shares representing 19.99% equity interest of the Enlarged Capital in BOCD. BOCD is a leading commercial bank in Western and Central China with its base in Chengdu, the capital of Sichuan Province. The Subscription enables HLB to enter into a strategic alliance with BOCD to tap into the promising and growing financial services sector of China. It strengthens and diversifies the earnings base of HLB.

On 31 January 2018, BOCD was officially listed on the Shanghai Stock Exchange after completing its initial public offering ("IPO") of 361 million shares and raised 2.53 billion yuan. Arising from the IPO, the Bank's equity interest of the enlarged capital in BOCD reduced to 18% from 20%. BOCD remains an associate by virtue of the representation held on BOCD's Board of Directors.

In March 2022, HLB subscribed convertible bonds issued by BOCD. In 2023, HLB has fully converted the bonds and the Bank's equity interest in BOCD has been revised to 19.8%.

During the last financial year, BOCD had completed the conversion of its convertible bonds into new ordinary shares, following an early redemption process concluded in February 2025. This had resulted in an increase in BOCD's total issued share capital.

Consequently, the Group's equity interest in BOCD was diluted from 19.8% to 17.8%.

The dilution of the Group's interest in BOCD resulted in a dilution loss of RM393 million, which has been recognised in the Group's statement of income for the last financial year, and the corresponding adjustment was made to the carrying amount of the investment. This dilution loss was included as part of the cumulative share of results of the associate as at 30 June 2025.

15 INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

(a) Information about associated companies (continued)

Nature of relationship (continued)

(i) BOCD (continued)

The market value of BOCD's shares held by the Bank is RM8.00 billion (2025: RM8.91 billion) at RM10.61 (2025: RM11.82) per share as at 30 June 2026.

The Group deems BOCD as a material associated company.

As at 30 June 2026, the market value of investment in BOCD was below the carrying amount. The Group has performed impairment assessment on the carrying amount of the investment in BOCD, which confirmed that no impairment is required as at 30 June 2026 as the recoverable amount as determined by a value-in-use ("VIU") calculation was higher than the carrying value. Management believes that any reasonable possible change to the key assumptions applied would not cause the carrying value to exceed its recoverable amount.

The VIU calculation uses discounted cash flows projections based on BOCD management's best estimates of future earnings taking into account of past performance and BOCD's expectation of market development. This calculation uses cash flows projections being the amount attributable to the shareholders based on the budget for the financial year ending 2027 with a further projection of 4 years, which was approved by BOCD management. Cash flows beyond the 5 year period are extrapolated using an estimated growth rate of 3.53% (2025: 4.31%) representing the forecasted Gross Domestic Product growth rate of the country.

The discount rate of 13.4% (2025: 10.7%) used in determining the recoverable amount is derived based on a capital asset pricing model calculation, using available market data.

(ii) CCSR

In 2011, HLB subscribed to RM50 million Cumulative Redeemable Preference Shares ("CRPS") in Jana Pendidikan Malaysia Sdn Bhd. For every RM1 million of subscription of CRPS, the Bank is entitled to subscribe for 1 ordinary share of RM1 each in CCSR. As such, the Bank subscribed for 50 CCSR shares of RM1 each for cash at par which represent 20% equity interest of CCSR.

In November 2014, HLB subscribed to additional 19,950 CCSR Rights Issue of RM1 each.

CCSR is a private company and there is no quoted market price available for its shares.

(b) The summarised financial information of the material associated company which is accounted for using the equity method is as follows:

(i) BOCD

	The Group	
	2026 RM'000	**2025 RM'000**
Total assets	**893,489,962**	806,942,709
Total liabilities	**(835,266,908)**	(755,139,441)
Net assets	**58,223,054**	51,803,268

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2026

15 INVESTMENT IN ASSOCIATED COMPANIES (CONTINUED)

(b) The summarised financial information of the material associated company which is accounted for using the equity method is as follows: (continued)

(i) BOCD (continued)

	The Group	
	2026 RM'000	2025 RM'000
Interest income	**26,332,576**	26,048,242
Interest expenses	**(13,555,970)**	(14,439,340)
Other operating income	**1,302,692**	2,706,972
Profit before taxation	**9,267,833**	9,507,504
Profit after taxation	**7,762,149**	7,882,836
Total comprehensive income	**7,877,689**	7,588,484
Dividends paid/declared by the associated company during the financial year	**2,327,716**	2,217,688
Share of results of associated company (%)	**17.8%**	17.8%
Share of results of associated company (RM'000)	**1,380,111**	1,465,511
Dividends received from the associated company (RM'000)	**354,845**	392,344

(c) Reconciliation of the summarised financial information to the carrying amount of the interest in the material associated company recognised in the consolidated financial statements:

(i) BOCD

	The Group	
	2026 RM'000	2025 RM'000
Opening net assets as at 1 July	**51,803,268**	48,129,263
Profit for the financial year	**7,762,149**	7,882,836
Other comprehensive income/(loss) for the financial year	**115,540**	(294,352)
Dividends paid/declared	**(2,327,716)**	(2,217,688)
Equity conversion option	**-**	20,416
Exchange fluctuation reserve	**869,813**	(4,690,373)
Issuance of share capital	**-**	2,973,166
Closing net assets as at 30 June	**58,223,054**	51,803,268
Interest in associated company (%)	**17.8%**	17.8%
Interest in associated company (RM'000)	**10,352,059**	9,210,621

The summarised financial information above represents amount shown in the material associate's financial statements prepared in accordance with MFRSs. The information is based on the financial statements of the associated company after reflecting adjustments made by the Group when using the equity method, such as fair value adjustments made at the time of acquisition and differences in accounting policies between the Group and the associated company.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

16 PROPERTY AND EQUIPMENT

The Group	Freehold land RM'000	Buildings on freehold land RM'000	Leasehold land less than 50 years* RM'000	Leasehold land 50 years or more* RM'000	Buildings on leasehold land less than 50 years RM'000	Buildings on leasehold land 50 years or more RM'000	Office furniture, fittings, equipment and renovations RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
2026											
Cost											
At 1 July	**135,010**	**580,825**	**1,092**	**40,547**	**2,636**	**110,868**	**507,823**	**808,246**	**6,421**	**114,421**	**2,307,889**
Additions	**-**	**-**	**-**	**-**	**-**	**-**	**12,026**	**18,474**	**-**	**154,258**	**184,758**
Reclassification/Transfer	**-**	**-**	**-**	**-**	**-**	**-**	**21,099**	**20,709**	**-**	**(77,781)**	**(35,973)**
Disposals/Write off	**(2,294)**	**(1,530)**	**-**	**-**	**-**	**-**	**(27,554)**	**(29,363)**	**(176)**	**(15)**	**(60,932)**
Exchange fluctuation	**-**	**-**	**-**	**-**	**-**	**-**	**(1,409)**	**(1,375)**	**(111)**	**(3)**	**(2,898)**
At 30 June	**132,716**	**579,295**	**1,092**	**40,547**	**2,636**	**110,868**	**511,985**	**816,691**	**6,134**	**190,880**	**2,392,844**
Accumulated depreciation											
At 1 July	**-**	**108,075**	**537**	**7,084**	**1,691**	**34,850**	**459,461**	**736,813**	**5,705**	**-**	**1,354,216**
Charge for the financial year	**-**	**11,594**	**17**	**423**	**54**	**2,089**	**19,582**	**40,415**	**403**	**-**	**74,577**
Reclassification/Transfer	**-**	**-**	**-**	**-**	**-**	**-**	**(20)**	**1,932**	**-**	**-**	**1,912**
Disposals/Write off	**-**	**(890)**	**-**	**-**	**-**	**-**	**(27,425)**	**(29,284)**	**(176)**	**-**	**(57,775)**
Exchange fluctuation	**-**	**-**	**-**	**-**	**-**	**-**	**(1,301)**	**(1,134)**	**(110)**	**-**	**(2,545)**
At 30 June	**-**	**118,779**	**554**	**7,507**	**1,745**	**36,939**	**450,297**	**748,742**	**5,822**	**-**	**1,370,385**
Net book value as at 30 June 2026	**132,716**	**460,516**	**538**	**33,040**	**891**	**73,929**	**61,688**	**67,949**	**312**	**190,880**	**1,022,459**

* These are the right-of-use assets within the scope of MFRS 16. Refer to accounting policies for leases as disclosed in Note 2H.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

16 PROPERTY AND EQUIPMENT (CONTINUED)

The Group	Freehold land RM'000	Buildings on freehold land RM'000	Leasehold land less than 50 years* RM'000	Leasehold land 50 years or more* RM'000	Buildings on leasehold land less than 50 years RM'000	Buildings on leasehold land 50 years or more RM'000	Office furniture, fittings, equipment and renovations RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
2025											
Cost											
At 1 July	143,959	582,358	1,092	40,547	2,636	110,868	525,342	916,147	6,634	76,727	2,406,310
Additions	-	-	-	-	-	-	8,789	6,646	-	85,694	101,129
Reclassification/Transfer	-	-	-	-	-	-	2,923	4,196	-	(47,295)	(40,176)
Disposals/Write off	(8,949)	(1,533)	-	-	-	-	(25,484)	(115,134)	(30)	(332)	(151,462)
Exchange fluctuation	-	-	-	-	-	-	(3,747)	(3,609)	(183)	(373)	(7,912)
At 30 June	135,010	580,825	1,092	40,547	2,636	110,868	507,823	808,246	6,421	114,421	2,307,889
Accumulated depreciation											
At 1 July	-	97,170	520	6,661	1,638	32,761	467,979	799,894	5,336	-	1,411,959
Charge for the financial year	-	11,613	17	423	53	2,089	20,140	55,090	570	-	89,995
Reclassification/Transfer	-	-	-	-	-	-	-	(9)	-	-	(9)
Disposals/Write off	-	(708)	-	-	-	-	(25,267)	(115,115)	(30)	-	(141,120)
Exchange fluctuation	-	-	-	-	-	-	(3,391)	(3,047)	(171)	-	(6,609)
At 30 June	-	108,075	537	7,084	1,691	34,850	459,461	736,813	5,705	-	1,354,216
Net book value as at 30 June 2025	135,010	472,750	555	33,463	945	76,018	48,362	71,433	716	114,421	953,673

* These are the right-of-use assets within the scope of MFRS 16. Refer to accounting policies for leases as disclosed in Note 2H.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

16 PROPERTY AND EQUIPMENT (CONTINUED)

The Bank	Freehold land RM'000	Buildings on freehold land RM'000	Leasehold land less than 50 years* RM'000	Leasehold land 50 years or more* RM'000	Buildings on leasehold land less than 50 years RM'000	Buildings on leasehold land 50 years or more RM'000	Office furniture, fittings, equipment and renovations RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
2026											
Cost											
At 1 July	54,648	48,953	628	40,116	3,269	106,441	464,481	768,931	4,653	114,542	1,606,662
Additions	-	-	-	-	-	-	11,436	18,034	-	153,507	182,977
Reclassification/Transfer	-	-	-	-	-	-	21,100	20,002	-	(76,533)	(35,431)
Disposals/Write off	(2,294)	(1,530)	-	-	-	-	(26,785)	(24,951)	(172)	-	(55,732)
Exchange fluctuation	-	-	-	-	-	-	(520)	(598)	(82)	-	(1,200)
At 30 June	52,354	47,423	628	40,116	3,269	106,441	469,712	781,418	4,399	191,516	1,697,276
Accumulated depreciation											
At 1 July	-	21,314	252	7,066	1,566	31,121	424,764	700,581	4,018	-	1,190,682
Charge for the financial year	-	969	15	423	90	2,014	17,266	39,139	323	-	60,239
Reclassification/Transfer	-	-	-	-	-	-	(21)	1,765	-	-	1,744
Disposals/Write off	-	(890)	-	-	-	-	(26,657)	(24,877)	(174)	-	(52,598)
Exchange fluctuation	-	-	-	-	-	-	(492)	(454)	(80)	-	(1,026)
At 30 June	-	21,393	267	7,489	1,656	33,135	414,860	716,154	4,087	-	1,199,041
Net book value as at 30 June 2026	52,354	26,030	361	32,627	1,613	73,306	54,852	65,264	312	191,516	498,235

* These are the right-of-use assets within the scope of MFRS 16. Refer to accounting policies for leases as disclosed in Note 2H.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

16 PROPERTY AND EQUIPMENT (CONTINUED)

The Bank	Freehold land RM'000	Buildings on freehold land RM'000	Leasehold land less than 50 years* RM'000	Leasehold land 50 years or more* RM'000	Buildings on leasehold land less than 50 years RM'000	Buildings on leasehold land 50 years or more RM'000	Office furniture, fittings, equipment and renovations RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
2025											
Cost											
At 1 July	63,597	50,486	628	40,116	3,269	106,441	479,706	873,778	4,765	75,639	1,698,425
Additions	-	-	-	-	-	-	7,802	6,112	-	86,115	100,029
Reclassification/Transfer	-	-	-	-	-	-	2,925	4,195	-	(46,785)	(39,665)
Disposals/Write off	(8,949)	(1,533)	-	-	-	-	(25,312)	(114,268)	(30)	(332)	(150,424)
Exchange fluctuation	-	-	-	-	-	-	(640)	(886)	(82)	(95)	(1,703)
At 30 June	54,648	48,953	628	40,116	3,269	106,441	464,481	768,931	4,653	114,542	1,606,662
Accumulated depreciation											
At 1 July	-	21,034	237	6,643	1,476	29,107	432,678	762,150	3,771	-	1,257,096
Charge for the financial year	-	988	15	423	90	2,014	17,787	53,354	357	-	75,028
Disposals/Write off	-	(708)	-	-	-	-	(25,130)	(114,249)	(31)	-	(140,118)
Exchange fluctuation	-	-	-	-	-	-	(571)	(674)	(79)	-	(1,324)
At 30 June	-	21,314	252	7,066	1,566	31,121	424,764	700,581	4,018	-	1,190,682
Net book value as at 30 June 2025	54,648	27,639	376	33,050	1,703	75,320	39,717	68,350	635	114,542	415,980

* These are the right-of-use assets within the scope of MFRS 16. Refer to accounting policies for leases as disclosed in Note 2H.

17 INTANGIBLE ASSETS

The Group	Computer software RM'000
2026	
Cost	
At 1 July	**939,528**
Additions	**23,788**
Reclassification/Transfer	**35,984**
Disposals/Write off	**(26,729)**
Exchange fluctuation	**(7,676)**
At 30 June	**964,895**
Amortisation and impairment	
At 1 July	**604,899**
Amortisation during the financial year	**73,555**
Reclassification/Transfer	**(1,900)**
Disposals/Write off	**(26,715)**
Exchange fluctuation	**(5,095)**
At 30 June	**644,744**
Net book value as at 30 June 2026	**320,151**

The Group	Computer software RM'000
2025	
Cost	
At 1 July	991,226
Additions	15,071
Reclassification/Transfer	40,176
Disposals/Write off	(91,482)
Exchange fluctuation	(15,463)
At 30 June	939,528
Amortisation and impairment	
At 1 July	637,749
Amortisation during the financial year	69,003
Reclassification/Transfer	9
Disposals/Write off	(91,443)
Exchange fluctuation	(10,419)
At 30 June	604,899
Net book value as at 30 June 2025	334,629

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

17 INTANGIBLE ASSETS (CONTINUED)

The Bank	Computer software RM'000
2026	
Cost	
At 1 July	**852,406**
Additions	**22,056**
Reclassification/Transfer	**35,442**
Disposals/Write off	**(26,704)**
Exchange fluctuation	**(4,991)**
At 30 June	**878,209**
Amortisation and impairment	
At 1 July	**544,871**
Amortisation during the financial year	**67,201**
Reclassification/Transfer	**(1,733)**
Disposals/Write off	**(26,690)**
Exchange fluctuation	**(3,149)**
At 30 June	**580,500**
Net book value as at 30 June 2026	**297,709**

The Bank	Computer software RM'000
2025	
Cost	
At 1 July	891,735
Additions	13,540
Reclassification/Transfer	39,665
Disposals/Write off	(86,326)
Exchange fluctuation	(6,208)
At 30 June	852,406
Amortisation and impairment	
At 1 July	573,010
Amortisation during the financial year	62,187
Disposals/Write off	(86,287)
Exchange fluctuation	(4,039)
At 30 June	544,871
Net book value as at 30 June 2025	307,535

Included in intangible assets of the Group and the Bank are the purchased Renewable Energy Certificates ("RECs") amounting to RM367,300 (2025: RM360,720). The RECs were purchased in April 2026 and June 2024.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

18 RIGHT-OF-USE ASSETS

The Group	Properties RM'000
2026	
At 1 July	**156,340**
Depreciation charge for the financial year	**(46,290)**
Modification	**(2,225)**
Addition	**53,784**
Termination of contracts	**(7,306)**
Exchange fluctuation	**(1,646)**
At 30 June	**152,657**

The Group	Properties RM'000
2025	
At 1 July	167,705
Depreciation charge for the financial year	(45,262)
Modification	(1,558)
Addition	35,635
Termination of contracts	(3,577)
Exchange fluctuation	3,397
At 30 June	156,340

The Bank	Properties RM'000
2026	
At 1 July	**177,400**
Depreciation charge for the financial year	**(69,963)**
Modification	**(4,795)**
Addition	**360,636**
Termination of contracts	**(6,961)**
Exchange fluctuation	**(1,129)**
At 30 June	**455,188**

The Bank	Properties RM'000
2025	
At 1 July	216,520
Depreciation charge for the financial year	(68,918)
Modification	1,390
Addition	33,293
Termination of contracts	(3,577)
Exchange fluctuation	(1,308)
At 30 June	177,400

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

19 GOODWILL

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cost				
As at 1 July/30 June	**1,831,312**	1,831,312	**1,771,547**	1,771,547

Allocation of goodwill to cash-generating units ("CGUs")

Goodwill has been allocated to the following CGUs:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Personal Financial Services	**1,188,705**	1,188,705	**1,149,911**	1,149,911
Business & Corporate Banking	**479,437**	479,437	**463,791**	463,791
Global Markets	**163,170**	163,170	**157,845**	157,845
	1,831,312	1,831,312	**1,771,547**	1,771,547

Impairment test for goodwill

The recoverable amount of CGUs is determined based on value-in-use calculations. Value-in-use is the present value of the future cash flows expected to be derived from the CGUs or groups of CGUs. This calculation uses pre-tax cash flow projections based on the 2027 financial budget, which is approved by the Board of Directors with a further projection of 3 years (2025: 3 years). Cash flows beyond the 4 years period are extrapolated using an estimated growth rate of 4.3% (2025: 4.0%) representing the forecasted Gross Domestic Product growth rate of the country for all cash generating units. The cash flow projections are derived based on a number of key factors including past performance and management's expectation of market developments.

In addition, the recoverable amount is assessed by incorporating multiple scenarios with variation in the assumptions used including discount rate and haircut on the cash flow projections, to allow assessment on the sensitivity of goodwill recoverable amount taking into consideration assumed probabilities of different future events and/or scenarios.

The discount rates used in determining the recoverable amount are as follows:

	Discount rate	
	2026 %	2025 %
Personal Financial Services	**7.91**	8.13
Business & Corporate Banking	**8.04**	8.14
Global Markets	**8.00**	8.22

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

Based on the impairment test performed, impairment was not required for goodwill arising from all CGUs for the financial year ended 30 June 2026. Management believes that any reasonable possible change to the key assumptions applied would not cause the carrying value of any CGU to exceed its recoverable amount.

20 DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Amortised cost				
Fixed deposits	**124,951,429**	124,012,082	**94,302,123**	92,535,696
Negotiable instruments of deposits	**8,670,010**	10,856,820	**5,607,079**	6,852,378
Short-term placements	**19,681,799**	17,444,150	**15,303,007**	13,756,245
	153,303,238	152,313,052	**115,212,209**	113,144,319
Demand deposits	**61,312,780**	53,379,363	**48,585,933**	42,260,650
Savings deposits	**26,073,549**	25,147,842	**21,091,727**	20,393,925
Others	**576,163**	418,661	**488,047**	311,392
	241,265,730	231,258,918	**185,377,916**	176,110,286
At fair value through profit and loss				
Structured deposits linked to interest rate derivatives	**11,102,436**	7,785,758	**3,547,936**	3,090,039
Fair value changes arising from designation at fair value through profit or loss*	**(303,783)**	(118,671)	**(108,708)**	(88,095)
	10,798,653	7,667,087	**3,439,228**	3,001,944
	252,064,383	238,926,005	**188,817,144**	179,112,230

* The Group and the Bank have issued structured deposits which are linked to interest rate derivatives and designated them at fair value through profit or loss. This designation is permitted under MFRS 9 as it significantly reduces accounting mismatch. These instruments are managed by the Group on the basis of fair value and includes terms that have substantive derivative characteristics.

The fair value changes of the structured deposits which are linked to interest rate derivatives that are attributable to the changes in own credit risk are not significant.

The carrying amount of the structured deposits of the Group is RM247,070,000 (2025: RM76,892,000) lower than the contractual amount at maturity and the Bank is RM92,952,000 (2025: RM71,005,000) lower than the contractual amount at maturity.

(i) The maturity structure of fixed deposits, negotiable instruments of deposits and short-term placements are as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Due within:				
- six months	**119,712,801**	126,411,515	**89,912,247**	92,857,509
- six months to one year	**30,860,387**	22,910,198	**23,518,570**	18,452,718
- one year to five years	**1,749,282**	2,008,407	**800,624**	851,160
- more than five years	**980,768**	982,932	**980,768**	982,932
	153,303,238	152,313,052	**115,212,209**	113,144,319

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2026

20 DEPOSITS FROM CUSTOMERS (CONTINUED)

(ii) The deposits are sourced from the following customers:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Government and statutory bodies	**4,004,278**	4,872,315	**1,302,347**	794,364
Business enterprises	**118,403,084**	109,516,840	**87,717,830**	80,512,334
Individuals	**125,854,217**	121,756,105	**97,171,462**	95,668,623
Others	**3,802,804**	2,780,745	**2,625,505**	2,136,909
	252,064,383	238,926,005	**188,817,144**	179,112,230

21 INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Unrestricted investment accounts Mudarabah with maturity	**2,673,444**	2,268,351	**-**	-
Restricted investment accounts Wakalah bi Al-Istithmar	**193**	708	**-**	-
	2,673,637	2,269,059	**-**	-

(i) Movement in the investment account holder

The Group	Unrestricted investment accounts Mudarabah RM'000	Restricted investment accounts Wakalah RM'000
2026		
At 1 July	**2,268,351**	**708**
Funding inflows/(outflows)		
New placement/Renewal during the year	**7,120,380**	**-**
Redemption during the year	**(6,736,375)**	**(500)**
	2,652,356	**208**
Profit payable to Investment Account Holder	**21,088**	**(15)**
At 30 June	**2,673,444**	**193**
2025		
At 1 July	2,165,636	898
Funding inflows/(outflows)		
New placement/Renewal during the year	6,856,241	-
Redemption during the year	(6,770,140)	(101)
	2,251,737	797
Profit payable to Investment Account Holder	16,614	(89)
At 30 June	2,268,351	708

21 INVESTMENT ACCOUNTS OF CUSTOMERS (CONTINUED)

(ii) Investment account holder by asset type

The Group	Unrestricted investment accounts Mudarabah RM'000	Restricted investment accounts Wakalah RM'000
2026		
Investment Asset		
House financing	**661,654**	**-**
Term financing	**1,216,633**	**-**
Personal financing	**289,190**	**-**
Cash and cash equivalent	**467,126**	**-**
Hire Purchase	**17,753**	**-**
Unit trusts	**-**	**208**
Total investment	**2,652,356**	**208**
2025		
Investment Asset		
House financing	575,149	-
Term financing	1,113,279	-
Personal financing	266,681	-
Cash and cash equivalent	296,628	-
Unit trusts	-	797
Total investment	2,251,737	797

(iii) Profit Sharing Ratio ("PSR") and Rate of Return ("ROR"):

	2026		2025	
The Group	Average PSR %	Average ROR %	Average PSR %	Average ROR %
Unrestricted investment accounts:				
- 1 Month	**76**	**3.47**	84	3.37
- 2 Months	**85**	**3.45**	85	3.70
- 3 Months	**75**	**3.63**	85	3.71
- 4 Months	**85**	**3.53**	85	3.60
- 5 Months	**85**	**3.61**	85	3.80
- 6 Months	**77**	**3.65**	84	3.75
- 8 Months	**73**	**3.39**	-	-
- 9 Months	**68**	**2.45**	68	2.70
- 12 Months	**77**	**3.70**	84	3.75

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

22 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Licensed banks	**6,941,589**	8,398,855	**7,528,091**	8,770,196
Central banks (Note)	**414,904**	1,536,898	**381,523**	1,519,200
	7,356,493	9,935,753	**7,909,614**	10,289,396

Note:
Deposits and placements from central banks includes monies received by the Group and the Bank under the various government financing scheme as part of the government support measure in response to COVID-19 pandemic for the purpose of SME lending amounting to RM414,904,000 (2025: RM1,536,898,000) and RM381,523,000 (2025: RM1,519,200,000) respectively at concession rates. A total of RM1,189,200,000 in government financing schemes matured in June 2026.

23 LEASE LIABILITIES

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Lease liabilities	**150,139**	159,961	**454,291**	183,979
Scheduled repayment of lease liabilities				
- Not later than one year	**41,308**	38,639	**55,094**	68,345
- Later than one year and not later than five years	**83,025**	95,801	**160,999**	90,627
- Later than five years	**25,806**	25,521	**238,198**	25,007
	150,139	159,961	**454,291**	183,979

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

24 OTHER LIABILITIES

	Note	The Group		The Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Zakat		**350**	350	**-**	-
Post employment benefits obligation					
- Defined contribution plan		**250**	255	**250**	255
Loan advance payment		**3,329,342**	3,352,960	**2,805,121**	2,797,789
Intercompany clearing		**-**	-	**300,488**	-
Amount due to subsidiary companies	(a)	**-**	-	**24**	432,107
Treasury and cheque clearing		**1,564,500**	868,147	**1,546,174**	624,123
Cash collateral pledged for derivative transactions		**257,383**	395,524	**245,412**	395,524
Sundry creditors and accruals		**509,449**	547,486	**492,642**	530,067
Provision for bonus and staff related expenses		**198,904**	196,570	**189,382**	186,439
Expected credit losses on financial guarantee contracts	(b)	**6,813**	5,252	**5,922**	4,510
Provision for reinstatement cost		**18,829**	19,769	**24,793**	25,703
Settlement accounts		**1,660,417**	1,474,686	**1,618,931**	1,462,352
Others		**453,755**	473,259	**282,836**	315,513
		7,999,992	7,334,258	**7,511,975**	6,774,382

(a) Amount due to subsidiary companies is unsecured, interest free, repayable on demand and is denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

24 OTHER LIABILITIES (CONTINUED)

(b) Movements in expected credit losses of financial guarantee contracts are as follows:

The Group	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2026				
At 1 July	**4,680**	**572**	**-**	**5,252**
Changes in ECL due to transfer within stages	**(61)**	**61**	**-**	**-**
Transfer to Stage 1	**9**	**(9)**	**-**	**-**
Transfer to Stage 2	**(70)**	**70**	**-**	**-**
Transfer to Stage 3	**-**	**-**	**-**	**-**
New financial assets originated	**430**	**-**	**-**	**430**
Financial assets derecognised	**(153)**	**-**	**-**	**(153)**
Changes due to change in credit risk	**1,556**	**(181)**	**-**	**1,375**
Exchange difference	**(90)**	**(1)**	**-**	**(91)**
At 30 June	**6,362**	**451**	**-**	**6,813**

The Group	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2025				
At 1 July	7,377	712	-	8,089
Changes in ECL due to transfer within stages	25	(52)	27	-
Transfer to Stage 1	53	(53)	-	-
Transfer to Stage 2	(28)	28	-	-
Transfer to Stage 3	-	(27)	27	-
New financial assets originated	440	-	-	440
Financial assets derecognised	(211)	(1)	(1)	(213)
Changes due to change in credit risk	(2,614)	(87)	(26)	(2,727)
Exchange difference	(337)	-	-	(337)
At 30 June	4,680	572	-	5,252

24 OTHER LIABILITIES (CONTINUED)

(b) Movements in expected credit losses of financial guarantee contracts are as follows: (continued)

The Bank	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2026				
At 1 July	**3,962**	**548**	**-**	**4,510**
Changes in ECL due to transfer within stages	**(61)**	**61**	**-**	**-**
Transfer to Stage 1	**9**	**(9)**	**-**	**-**
Transfer to Stage 2	**(70)**	**70**	**-**	**-**
Transfer to Stage 3	**-**	**-**	**-**	**-**
New financial assets originated	**430**	**-**	**-**	**430**
Financial assets derecognised	**(151)**	**-**	**-**	**(151)**
Changes due to change in credit risk	**1,399**	**(183)**	**-**	**1,216**
Exchange difference	**(82)**	**(1)**	**-**	**(83)**
At 30 June	**5,497**	**425**	**-**	**5,922**

The Bank	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
2025				
At 1 July	6,884	644	-	7,528
Changes in ECL due to transfer within stages	22	(49)	27	-
Transfer to Stage 1	50	(50)	-	-
Transfer to Stage 2	(28)	28	-	-
Transfer to Stage 3	-	(27)	27	-
New financial assets originated	439	-	-	439
Financial assets derecognised	(211)	(1)	(1)	(213)
Changes due to change in credit risk	(2,816)	(46)	(26)	(2,888)
Exchange difference	(356)	-	-	(356)
At 30 June	3,962	548	-	4,510

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

25 RECOURSE OBLIGATION ON LOANS/FINANCING SOLD TO CAGAMAS

This represents the proceeds received from housing loans sold directly to Cagamas with recourse to the Group and the Bank. Under this agreement, the Group and the Bank undertake to administer the loans on behalf of Cagamas and to buy back any loans which are regarded as defective based on prudential criteria set by Cagamas. Such financing transactions and the obligation to buy back the loans are reflected as a liability on the statements of financial position. These financial liabilities are stated at amortised cost.

26 SENIOR DEBTS

	Note	The Group		The Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
RM600.0 million Multi-currency Medium Term Notes, at par	(a)	**600,000**	600,000	**600,000**	600,000
Add: Interest payable		**5,488**	5,581	**5,488**	5,581
		605,488	605,581	**605,488**	605,581
Less: Unamortised discounts		**(437)**	(679)	**(437)**	(679)
Add: Fair value changes arising from fair value hedges		**14**	195	**14**	195
		605,065	605,097	**605,065**	605,097
RM200.0 million Multi-currency Islamic Medium Term Notes, at par	(b)	**200,000**	200,000	**-**	-
Add: Profit payable		**1,293**	1,271	**-**	-
		201,293	201,271	**-**	-
Less: Unamortised discounts		**(171)**	(347)	**-**	-
Add: Fair value changes arising from fair value hedges		**29**	392	**-**	-
		201,151	201,316	**-**	-
USD30.0 million Euro Medium Term Notes, at par	(c)	**122,100**	-	**122,100**	-
Add: Interest payable		**478**	-	**478**	-
		122,578	-	**122,578**	-
Less: Unamortised discounts		**(2,762)**	-	**(2,762)**	-
		119,816	-	**119,816**	-
		926,032	806,413	**724,881**	605,097

26 SENIOR DEBTS (CONTINUED)

(a) On 3 November 2023, the Bank issued its first tranche of RM100.0 million nominal value of medium term notes ("Senior MTN") out of its RM10.0 billion Multi-currency Medium Term Notes Programme ("Senior MTN Programme"). The coupon rate for this first tranche of the Senior MTN is 4.07% per annum, which is payable semi-annually in arrears from the date of the issue. The tenure for this Senior MTN is 3 years. The proceeds from the issuance shall be utilised for the Bank's working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of the Bank.

On 30 September 2024, the Bank issued its second tranche of RM500.0 million nominal value of green medium term notes ("Green Senior MTN") out of its RM10.0 billion Senior MTN Programme. The coupon rate for this second tranche of the Green Senior MTN is 3.80% per annum, which is payable semi-annually in arrears from the date of the issue. The tenure for this Senior MTN is 5 years. The proceeds from the issuance shall be utilised for purposes that meet the criteria as set out in the HLB Green Bond Framework, which was established by HLB on 20 February 2022 and revised in April 2022 (as may be amended, revised and/or substituted from time to time) in accordance with the ASEAN Green Bond Standards issued by the ASEAN Capital Markets Forum in November 2017 and revised in October 2018 and the Green Bond Principles issued by the International Capital Market Association in June 2021.

(b) On 3 November 2023, HLISB, a wholly owned subsidiary of the Bank, issued its first tranche of RM200.0 million nominal value of Islamic medium term notes (Senior IMTN) out of its RM5.0 billion Multi-currency Islamic Medium Term Notes programme (Senior IMTN Programme). The coupon rate for this first tranche of the Senior IMTN is 4.07% per annum, which is payable semi-annually in arrears from the date of the issue. The tenure for this Senior IMTN is 3 years. The proceeds from the issuance shall be utilised for the HLISB's working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing Islamic financing obligations of HLISB.

(c) On 29 May 2026, the Bank issued its first tranche of USD30.0 million nominal value of Euro Medium Term Notes ("EMTN") out of its USD5.0 billion Euro Medium Term Note Programme ("EMTN Programme") which was established on 30 April 2026. The coupon rate for this first tranche of the EMTN is 4.40% per annum, which is payable semi-annually in arrears from the date of the issue. The tenure for this EMTN is 3 years. The proceeds from the issuance shall be utilised for the Bank's working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of the Bank.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

27 TIER 2 SUBORDINATED BONDS

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
RM2.5 billion Tier 2 subordinated notes at par	**2,540,000**	1,900,000	**2,540,000**	1,900,000
Add: Interest payable	**3,634**	3,372	**3,634**	3,372
	2,543,634	1,903,372	**2,543,634**	1,903,372
Less: Unamortised discounts	**(3,080)**	(1,857)	**(3,080)**	(1,857)
	2,540,554	1,901,515	**2,540,554**	1,901,515

On 19 June 2023, the Bank issued a fourth tranche of RM500.0 million nominal value of 10-years non-callable 5 years Subordinated Notes ("Sub Notes") callable on 19 June 2028 (and thereafter) and due on 17 June 2033 out of its RM10.0 billion Multi-Currency Sub Notes Programme. The coupon rate for this fourth tranche of the Sub Notes is 4.20% per annum, which is payable semi-annually in arrears from the date of the issue.

On 11 June 2024, the Bank issued a fifth tranche of RM1.0 billion nominal value of 10-years non-callable 5 years Sub-Notes callable on 11 June 2029 (and thereafter) and due on 11 June 2034 out of its Multi-Currency Tier 2 Subordinated Notes Programme ("HLB T2 Programme"). The coupon rate for this fifth tranche of the Sub Notes is 4.05% per annum, which is payable semi-annually in arrears from the date of the issue. RM400.0 million of the proceeds from the Sub Notes were used to subscribe for RM400.0 million Tier 2 subordinated sukuk murabahah ("HLISB T2 Sukuk Murabahah") issued by its wholly-owned subsidiary, HLISB on even date. The HLISB T2 Sukuk Murabahah were issued pursuant to HLISB's multi-currency perpetual subordinated sukuk programme. The remaining proceeds from the Sub-Notes shall be utilised, without limitation, for HLB's working capital, general banking and other corporate purposes, and the refinancing of any existing borrowings incurred, subordinated debt issued by HLB and/or any existing subordinated notes issued under the HLB T2 Programme.

On 20 June 2025, the Bank issued a sixth tranche of RM400.0 million nominal value of Tier 2 Subordinated Notes ("HLB Sub-Notes") pursuant to its HLB T2 Programme in two series i.e. series 1: 10-years non-callable 5 years HLB Sub-Notes callable on 20 June 2030 (and thereafter) and due on 20 June 2035 and series 2: 12-years non-callable 7 years HLB Sub-Notes callable on 21 June 2032 (and thereafter) and due on 19 June 2037. The coupon rate for this sixth tranche of the HLB Sub Notes is 3.78% and 3.85% per annum for series 1 and series 2 respectively, which is payable semi-annually in arrears from the date of the issue. Proceeds from the HLB Sub Notes shall be utilised, without limitation, for HLB's working capital, general banking and other corporate purposes, and the refinancing of any existing borrowings incurred, subordinated debt issued by HLB and/or any existing subordinated notes issued under the HLB T2 Programme.

On 26 June 2026, the Bank issued a seventh tranche of RM640.0 million nominal value of Tier 2 Subordinated Notes ("HLB Sub-Notes") pursuant to its HLB T2 Programme in two series i.e. series 1: 10-years non-callable 5 years HLB Sub-Notes callable on 26 June 2031 (and thereafter) and due on 26 June 2036 and series 2: 12-years non-callable 7 years HLB Sub-Notes callable on 27 June 2033 (and thereafter) and due on 25 June 2038. The coupon rate for this seventh tranche of the HLB Sub Notes is 3.90% and 4.00% per annum for series 1 and series 2 respectively, which is payable semi-annually in arrears from the date of the issue. Proceeds from the HLB Sub Notes shall be utilised, without limitation, for HLB's working capital, general banking and other corporate purposes, and the refinancing of any existing borrowings incurred, subordinated debt issued by HLB and/or any existing subordinated notes issued under the HLB T2 Programme.

28 MULTI-CURRENCY ADDITIONAL TIER 1 CAPITAL SECURITIES

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
RM1.7 billion Multi-currency Additional Tier-1 and Additional Tier-1 Green capital securities, at par	**1,700,000**	1,700,000	**1,700,000**	1,700,000
Add: Interest payable	**15,495**	15,495	**15,495**	15,495
	1,715,495	1,715,495	**1,715,495**	1,715,495
Less: Unamortised discounts	**(835)**	(1,362)	**(835)**	(1,362)
Add: Fair value changes arising from fair value hedges	**207**	728	**207**	728
	1,714,867	1,714,861	**1,714,867**	1,714,861

On 29 April 2022, the Bank issued a nominal value of RM900.0 million Basel III-compliant Additional Tier 1 Green capital securities ("Green Capital Securities"), pursuant to its Multi-currency Additional Tier 1 capital securities programme. The Green Capital Securities carry a distribution rate of 4.45% per annum and are perpetual and non-callable for 5 years with an Issuer's call option to redeem at the end of year 5. Proceeds from the issuance of the Green Capital Securities shall be utilised for purposes that meet the criteria as set out in the HLB Green Bond Framework, which was established by HLB on 20 February 2022 and revised in April 2022 (as may be amended, revised and/or substituted from time to time) in accordance with the ASEAN Green Bond Standards issued by the ASEAN Capital Markets Forum in November 2017 and revised in October 2018 and the Green Bond Principles issued by the International Capital Market Association in June 2021.

On 14 October 2022, the Bank issued a nominal value of RM400.0 million Additional Tier 1 capital securities ("HLB Capital Securities"), pursuant to its multi-currency Additional Tier 1 capital securities programme. The HLB Capital Securities, which qualify as Additional Tier 1 capital for the Bank, carry a distribution rate of 4.70% per annum. The Capital Securities are perpetual with an Issuer's call option to redeem at the end of year 5. The proceeds from the issuance shall be utilised to fulfill the requirements of Additional Tier 1 capital as per BNM's Capital Adequacy Framework (Capital Components) issued on 9 December 2020 and as updated from time to time and for the refinancing of an existing tranche of RM400.0 million in nominal value of HLB Capital Securities issued previously under the HLB AT1 Programme on 30 November 2017.

On 25 March 2024, the Bank issued a nominal value of RM400.0 million Additional Tier 1 capital securities ("HLB Capital Securities"), pursuant to its multi-currency Additional Tier 1 capital securities programme. The HLB Capital Securities, which qualify as Additional Tier 1 capital for the Bank, carry a distribution rate of 4.25% per annum. The HLB Capital Securities are perpetual with an Issuer's call option to redeem at the end of year 5. The proceeds from the issuance shall be utilised to fulfill the requirements of Additional Tier 1 capital as per BNM's Capital Adequacy Framework (Capital Components) issued on 9 December 2020 and as updated from time to time and for the refinancing of an existing tranche of RM400.0 million in nominal value of HLB Capital Securities issued previously under the HLB AT1 Programme on 29 March 2019.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

29 SHARE CAPITAL

	The Group and The Bank			
	2026		2025	
	Number of ordinary shares '000	RM'000	Number of ordinary shares '000	RM'000
Ordinary shares issued and fully paid:				
At 1 July/30 June - ordinary shares with no par value	**2,167,718**	**7,739,063**	2,167,718	7,739,063

30 RESERVES

	Note	The Group		The Bank	
		2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Retained profits	(a)	**32,123,094**	29,895,045	**18,974,211**	18,253,075
Other reserves:					
Share options reserve	(b)	**44,775**	36,343	**44,775**	36,343
Fair value reserve	(c)				
- Financial investments at FVOCI		**100,765**	230,469	**79,437**	162,179
Exchange fluctuation reserve	(d)	**321,698**	225,173	**231,745**	303,333
Regulatory reserves	(e)	**2,158,923**	1,861,261	**1,661,237**	1,456,280
		2,626,161	2,353,246	**2,017,194**	1,958,135
		34,749,255	32,248,291	**20,991,405**	20,211,210

(a) The Bank can distribute dividends out of its entire retained earnings under the single-tier system.

(b) The share options reserve arose from share options and ordinary shares granted to eligible executives of the Bank pursuant to the Bank's ESS. Terms of the Bank's ESS are disclosed in Note 55 to the financial statements.

30 RESERVES (CONTINUED)

(c) Movement of the fair value reserve is as follows:

	Note	The Group 2026 RM'000	The Group 2025 RM'000	The Bank 2026 RM'000	The Bank 2025 RM'000
At 1 July		**230,469**	(93,855)	**162,179**	(159,109)
Equity instruments					
- Net fair value changes		**33,548**	27,884	**33,548**	27,884
Debt instruments					
- Net fair value changes		**(153,768)**	509,165	**(82,547)**	431,651
- Changes in expected credit losses		**(227)**	(557)	**(217)**	(594)
Reclassification to net profit on disposal and impairment		**(61,622)**	(65,075)	**(61,622)**	(65,075)
Deferred taxation	43	**31,822**	(91,148)	**28,096**	(72,578)
Share of fair value reserve of associated company		**20,543**	(55,945)	**-**	-
Net change in fair value reserve		**(129,704)**	324,324	**(82,742)**	321,288
At 30 June		**100,765**	230,469	**79,437**	162,179

(d) Currency translation differences arising from translation of the Bank's foreign branches, subsidiaries and associated companies are recognised in exchange fluctuation reserve.

(e) Regulatory reserves represent the Group's and the Bank's compliance with BNM's Revised Policy Documents on Financial Reporting and Financial Reporting for Islamic Banking Institutions with effect from 1 July 2018, whereby the Bank and its domestic banking subsidiaries must maintain, in aggregate, loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures.

During the financial year, an amount of RM297.7 million at the Group and RM205 million at the Bank respectively have been transferred from retained profits to regulatory reserves.

Included in the Group is the regulatory reserve maintained by the Group's banking subsidiary company in Vietnam of RM21.4 million (2025: RM18.7 million) in line with the requirements of the State Bank of Vietnam.

31 TREASURY SHARES

	Note	The Group 2026 RM'000	The Group 2025 RM'000	The Bank 2026 RM'000	The Bank 2025 RM'000
Purchase of own shares pursuant to Section 127, Companies Act 2016	(a)	**431,829**	431,829	**431,829**	431,829
Treasury shares for ESS	(b)	**266,451**	268,549	**266,451**	268,549
		698,280	700,378	**698,280**	700,378

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

31 TREASURY SHARES (CONTINUED)

(a) Purchase of own shares pursuant to Section 127 of the Companies Act 2016

The shareholders of the Bank, via an ordinary resolution passed at the Annual General Meeting held on 23 October 2013, had approved the Bank's plan to purchase its own shares up to 10% of the issued and paid-up share capital. The Directors of the Bank are committed to enhance the value of the Bank to its shareholders and believe that the share buyback plan can be applied in the best interests of the Bank and its shareholders.

As at 30 June 2026, the total number of shares bought was 81,101,700 (2025: 81,101,700) and the shares held were accounted as treasury shares in accordance with the provisions of Section 127 of the Companies Act 2016.

There was no resale or cancellation of treasury shares during the financial year. The number of issued shares with voting rights as at 30 June 2026 after deducting treasury shares purchased is 2,086,616,584 shares (2025: 2,086,616,584). Treasury shares have no rights to vote nor participation in dividends or other distribution.

(b) Treasury shares for ESS

A trust has been set up for the ESS and it is administered by an appointed trustee. This trustee will be entitled from time to time to accept financial assistance from the Bank upon such terms and conditions as the Bank and the trustee may agree to purchase the Bank's shares from the open market for the purposes of this trust. In accordance with MFRS 132, the shares purchased for the benefit of the ESS holdings are recorded as "Treasury Shares for ESS", in addition to the Treasury Shares for share buy-back, in the Shareholders' Equity on the statements of financial position.

During the financial year ended 30 June 2026, a total of 284,701 ordinary shares were vested and transferred pursuant to the Bank's ESS. As at 30 June 2026, the total number of shares held was 36,172,582 (2025: 36,457,283).

32a INTEREST INCOME

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Loans, advances and financing	**6,610,403**	6,639,988	**6,383,300**	6,379,292
Money at call and deposit placements with financial institutions	**235,704**	207,496	**253,142**	233,972
Financial investments at FVOCI	**1,284,102**	1,263,539	**1,288,110**	1,263,394
Financial investments at amortised cost	**580,563**	639,395	**579,615**	638,758
Others	**20,649**	24,568	**20,356**	24,181
	8,731,421	8,774,986	**8,524,523**	8,539,597
Accretion of discount less amortisation of premium	**110,347**	95,543	**110,347**	95,543
Interest income earned on impaired loans, advances and financing during the financial year	**62,085**	63,388	**60,635**	55,798

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

32b INTEREST INCOME FOR FINANCIAL ASSETS AT FVTPL

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Financial assets at FVTPL	**99,205**	113,994	**99,205**	113,994

33 INTEREST EXPENSE

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deposits and placements of banks and other financial institutions	**198,045**	257,875	**237,281**	324,660
Obligations on securities sold under repurchase agreements	**22,200**	86,071	**22,200**	86,071
Deposits from customers	**3,779,143**	3,879,640	**3,642,372**	3,718,994
Short-term placements	**524,118**	447,175	**524,118**	447,175
Senior debts	**23,626**	23,366	**23,626**	23,366
Tier 2 subordinated bonds	**78,045**	62,691	**78,045**	62,691
Multi-currency Additional Tier-1 capital securities	**76,378**	76,378	**76,378**	76,378
Recourse obligation on loans sold to Cagamas	**59,255**	60,806	**59,255**	60,806
Others	**7,449**	7,452	**8,996**	8,904
	4,768,259	4,901,454	**4,672,271**	4,809,045

34 INCOME FROM ISLAMIC BANKING BUSINESS

	The Group	
	2026 RM'000	2025 RM'000
Income derived from investment of depositors' funds and others	**2,501,840**	2,423,248
Income derived from investment of shareholders' funds	**436,731**	432,380
Income derived from investment of investment account	**134,291**	123,966
Income attributable to depositors	**(1,743,568)**	(1,738,186)
Income attributable to depositors on investment account	**(86,995)**	(81,575)
	1,242,299	1,159,833
Financing income earned on impaired financing and advances during the financial year	**15,011**	12,635

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

35 OTHER OPERATING INCOME

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Fee income				
Commissions	**309,835**	267,726	**306,244**	264,532
Service charges and fees	**41,727**	40,874	**41,083**	39,778
Guarantee fees	**43,784**	28,076	**43,460**	27,920
Credit card related fees	**278,940**	250,522	**278,940**	250,522
Commitment fees	**32,834**	33,919	**31,871**	32,702
Fee on loans, advances and financing	**44,153**	50,954	**39,080**	44,160
Other fee income	**64,548**	47,443	**64,154**	46,347
	815,821	719,514	**804,832**	705,961
Net income from securities				
Net realised gain/(loss) on financial instruments:				
- Financial assets at FVTPL	**142,144**	109,418	**142,144**	109,418
- Derivative financial instruments	**232,337**	42,161	**232,337**	42,161
- Financial investments at FVOCI	**81,082**	85,625	**81,082**	85,625
Dividend income from:				
- Associated companies	**-**	-	**510,395**	486,270
- Financial assets at FVTPL	**96,445**	58,964	**96,445**	58,964
- Financial investments at FVOCI	**4,249**	522	**4,249**	522
Net unrealised gain/(loss) on revaluation of:				
- Financial assets at FVTPL	**6,517**	34,177	**6,517**	34,177
- Derivative financial instruments	**(190,776)**	(106,397)	**(190,776)**	(106,397)
Net realised gain on fair value changes arising from fair value hedges	**4,540**	7,386	**4,540**	7,386
Net unrealised gain/(loss) on fair value changes arising from fair value hedges	**128**	(1,695)	**128**	(1,695)
	376,666	230,161	**887,061**	716,431
Other income				
Foreign exchange gain	**162,959**	258,421	**157,557**	252,732
Rental income	**20,702**	21,186	**11,851**	12,467
Gain on disposal of property and equipment	**4,074**	9,124	**4,074**	9,124
Net gain on divestment of an associate	**-**	-	**-**	84,039
Other non-operating income	**8,399**	12,265	**8,230**	12,130
	196,134	300,996	**181,712**	370,492
	1,388,621	1,250,671	**1,873,605**	1,792,884

36 OTHER OPERATING EXPENSES

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Personnel costs	**1,378,032**	1,333,065	**1,059,399**	1,037,254
Establishment costs	**516,398**	523,984	**400,429**	405,734
Marketing expenses	**233,033**	237,687	**192,898**	203,687
Administration and general expenses	**386,393**	384,463	**376,924**	365,986
	2,513,856	2,479,199	**2,029,650**	2,012,661

The overhead expenses of the Bank are net of shared services costs charged to subsidiaries.

(i) Personnel costs comprise the following:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Salaries, bonus and allowances	**1,257,415**	1,217,447	**962,712**	942,795
Medical expenses	**56,069**	45,028	**43,088**	35,232
Training and convention expenses	**14,352**	18,056	**11,837**	14,873
Staff welfare	**13,472**	13,794	**9,940**	10,481
Other employees benefits	**36,724**	38,740	**31,822**	33,873
	1,378,032	1,333,065	**1,059,399**	1,037,254

(ii) Establishment costs comprise the following:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Depreciation of property and equipment	**74,577**	89,995	**60,239**	75,028
Depreciation of right-of-use assets	**46,290**	45,262	**69,963**	68,918
Amortisation of intangible assets	**73,555**	69,003	**67,201**	62,187
Rental of premises	**2,334**	1,769	**2,669**	1,898
Information technology expenses	**233,539**	227,181	**161,954**	159,941
Security services	**21,364**	23,545	**15,882**	17,662
Electricity, water and sewerage	**18,178**	21,034	**13,036**	13,952
Hire of plant and machinery	**14,221**	13,957	**1,560**	2,266
Others	**32,340**	32,238	**7,925**	3,882
	516,398	523,984	**400,429**	405,734

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

36 OTHER OPERATING EXPENSES (CONTINUED)

The overhead expenses of the Bank are net of shared services costs charged to subsidiaries. (continued)

(iii) Marketing expenses comprise the following:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Advertisement and publicity	**41,829**	30,717	**34,164**	27,364
Sales commission and credit card related fees	**168,028**	184,090	**140,430**	158,563
Others	**23,176**	22,880	**18,304**	17,760
	233,033	237,687	**192,898**	203,687

(iv) Administration and general expenses comprise the following:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Teletransmission expenses	**13,863**	16,602	**13,474**	16,205
Stationery and printing expenses	**9,566**	10,989	**9,032**	10,395
Professional fees	**122,220**	120,763	**115,354**	114,836
Insurance fees	**36,281**	44,242	**29,340**	36,302
Stamp, postage and courier	**13,911**	14,971	**13,720**	14,807
Travelling and transport expenses	**4,666**	3,911	**3,936**	3,148
Registration and licence fees	**9,304**	9,080	**8,149**	7,877
Brokerage and commission	**11,225**	10,656	**7,762**	7,208
Credit card fees	**126,845**	118,673	**126,675**	118,673
Others	**38,512**	34,576	**49,482**	36,535
	386,393	384,463	**376,924**	365,986

36 OTHER OPERATING EXPENSES (CONTINUED)

The above expenditure includes the following statutory disclosures:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Auditors' remuneration:				
Malaysian firm				
- statutory audit	**2,400**	2,296	**2,129**	2,008
- regulatory related fees	**1,094**	437	**965**	309
- tax compliance	**159**	73	**98**	45
- other services	**442**	297	**442**	297
PwC overseas affiliated firms				
- statutory audit	**980**	953	**915**	887
- regulatory related fees	**128**	135	**128**	135
- tax compliance	**96**	100	**96**	100
Loss on disposal of property and equipment	**1**	-	**-**	-
Property and equipment disposal/written off	**180**	566	**164**	530

37 ALLOWANCE FOR/(WRITE BACK OF) IMPAIRMENT LOSSES ON LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Allowance for/(write back of) impairment losses on loans, advances and financing:				
- expected credit losses	**292,608**	(133,460)	**164,276**	(130,632)
Impaired loans, advances and financing:				
- written off	**27,149**	28,019	**19,591**	19,657
- recovered from bad debt written off	**(240,427)**	(277,876)	**(189,630)**	(228,320)
	79,330	(383,317)	**(5,763)**	(339,295)

38 (WRITE BACK OF)/ALLOWANCE FOR IMPAIRMENT LOSSES ON FINANCIAL INVESTMENTS AND OTHER ASSETS

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Expected credit losses and impairment losses on:				
- Financial investments at FVOCI	**(162)**	(281)	**(152)**	(319)
- Financial investments at amortised cost	**(2)**	(11)	**-**	-
- Cash and short-term funds	**46**	(13)	**574**	(167)
- Deposits and placements with banks and other financial institutions	**(148)**	23	**(38)**	118
	(266)	(282)	**384**	(368)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

39 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) Related parties and relationships

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

Related parties	Relationship
Hong Leong Company (Malaysia) Berhad	Ultimate holding company
Hong Leong Share Registration Services Sdn Bhd, Hong Leong Manufacturing Group Sdn Bhd and HL Management Co Sdn Bhd	Subsidiary companies of ultimate holding company
Hong Leong Financial Group Berhad	Holding company
Subsidiary companies of Hong Leong Financial Group Berhad as disclosed in its financial statements	Subsidiary companies of holding company
Hong Leong Capital Berhad and its subsidiary and associated companies as disclosed in its financial statements	Subsidiary and associated companies of ultimate holding company
Hong Leong Industries Berhad and its subsidiary and associated companies as disclosed in its financial statements	Subsidiary and associated companies of ultimate holding company
Malaysian Pacific Industries Berhad and its subsidiary and associated companies as disclosed in its financial statements	Subsidiary and associated companies of ultimate holding company
Hume Cement Industries Berhad and its subsidiary and associated companies as disclosed in its financial statements	Subsidiary and associated companies of ultimate holding company
HLMG Management Co Sdn Bhd	Subsidiary companies of ultimate holding company
Guoco Group Limited and its subsidiary and associated companies as disclosed in its financial statements	Substantial shareholder and its subsidiaries and associated companies
GuocoLand (Malaysia) Berhad and its subsidiary and associated companies as disclosed in its financial statements	Subsidiary and associated companies of substantial shareholder
BIB Insurance Brokers Sdn Bhd and its subsidiaries	Associated companies of ultimate holding company
Asia OneHealthcare Ltd (formerly known as Asia OneHealthcare Pte Ltd) and its subsidiaries	Associated companies of ultimate holding company
IMU Health Sdn Bhd and its subsidiaries	Associated companies of ultimate holding company
Southern Steel Berhad and its subsidiary and associated companies	Associated companies of ultimate holding company

39 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Related parties and relationships (continued)

The related parties of and their relationships with the Bank are as follows: (continued)

Related parties	Relationship
Subsidiary companies of the Bank as disclosed in Note 14	Subsidiary companies of the Bank
Associated companies of the Group as disclosed in Note 15	Associated companies of the Group
Key management personnel	The key management personnel of the Bank consists of: - All Directors of the Bank, ten members of senior management of the Bank and the Chief Executive Officer of Hong Leong Islamic Bank Berhad
Related parties of key management personnel deemed as related to the Bank	(i) Close family members and dependents of key management personnel (ii) Entities that are controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly by key management personnel or its close family members

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

39 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Related party transactions and balances

The Group	Parent company RM'000	Other related companies RM'000	Associated companies RM'000	Key management personnel RM'000
2026				
Income				
Interest:				
- loans	-	-	-	218
- interbank placements	-	714	-	-
Commitment fee and bank charges	-	-	-	36
Dividend income	-	85,228	-	-
Commission on Group products/services sold	-	113,121	-	-
Brokerage commission	-	64	-	-
Reimbursement of shared service cost	1,371	12,031	-	-
	1,371	211,158	-	254
Expenditure				
Rental and maintenance	-	14,575	-	-
Insurance	-	34,440	-	-
Interest on current accounts and fixed deposits	-	2,158	-	6,065
Interest paid on negotiable instruments of deposits	-	50,646	-	-
Interest on short-term placements	60	3,681	-	8,790
Interest on subordinated notes and capital securities	-	11,875	-	-
Management fees	7,414	55,183	-	-
Other miscellaneous expenses	382	4,986	-	-
	7,856	177,544	-	14,855
Amounts due from				
Interbank placements	-	121,286	-	-
Current accounts	-	-	20,548	-
Loans	-	-	-	6,487
Wholesale funds	-	1,348,742	-	-
Derivative assets	-	27,324	-	-
Credit card balances	-	-	-	823
Advance rental and deposit	-	2,294	-	-
Others	28	9,657	-	-
	28	1,509,303	20,548	7,310
Amounts due to				
Current accounts and fixed deposits	-	48,665	-	62,130
Short-term placements	-	643,682	-	520,790
Negotiable instruments of deposits	-	1,791,757	-	-
Subordinated notes and capital securities	-	295,000	-	-
Derivative liabilities	-	53,468	-	-
Others	278	1,452	-	-
	278	2,834,024	-	582,920
Commitments and contingencies				
Derivative related contracts	-	2,523,439	-	-

39 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Related party transactions and balances (continued)

The Group	Parent company RM'000	Other related companies RM'000	Associated companies RM'000	Key management personnel RM'000
2025				
Income				
Interest:				
- loans	-	-	-	184
- interbank placements	-	128	-	-
- negotiable instruments of deposits	-	41,921	-	-
- redeemable preference shares	-	869	-	-
Commitment fee and bank charges	-	-	-	79
Dividend income	-	56,489	-	-
Commission on Group products/services sold	-	103,946	-	-
Brokerage commission	-	62	-	-
Reimbursement of shared service cost	649	8,687	-	-
	649	212,102	-	263
Expenditure				
Rental and maintenance	-	12,633	-	-
Insurance	-	37,230	-	-
Interest on current accounts and fixed deposits	-	1,974	-	6,816
Interest on short-term placements	30	2,725	-	6,559
Interest on subordinated notes and capital securities	-	10,515	-	-
Management fees	7,258	54,094	-	-
Other miscellaneous expenses	204	4,583	-	-
	7,492	123,754	-	13,375
Amounts due from				
Interbank placements	-	118,174	-	-
Current accounts	-	-	20,396	-
Negotiable instruments of deposits	-	989,365	-	-
Loans	-	-	-	4,662
Wholesale funds	-	2,239,039	-	-
Derivative assets	-	112,160	-	-
Credit card balances	-	-	-	1,191
Advance rental and deposit	-	2,294	-	-
Others	-	195	-	-
	-	3,461,227	20,396	5,853
Amounts due to				
Current accounts and fixed deposits	-	52,506	-	38,247
Short-term placements	-	455,360	-	456,301
Subordinated notes and capital securities	-	260,003	-	-
Derivative liabilities	-	59,002	-	-
Others	278	1,286	-	-
	278	828,157	-	494,548
Commitments and contingencies				
Derivative related contracts	-	2,403,050	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

39 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Related party transactions and balances (continued)

The Bank	Parent company RM'000	Subsidiary companies RM'000	Associated companies RM'000	Other related companies RM'000	Key management personnel RM'000
2026					
Income					
Interest:					
- loans	-	11,974	-	-	218
- interbank placements	-	30,517	-	714	-
- current accounts	-	-	315	-	-
- negotiable instruments of deposits	-	4,073	-	-	-
- subordinated facilities	-	40,808	-	-	-
Dividend income	-	-	510,395	85,228	-
Commitment fee and bank charges	-	-	-	-	36
Commission on Group products/ services sold	-	-	-	113,121	-
Brokerage commission	-	-	-	64	-
Reimbursement of shared service cost	1,371	355,132	-	12,031	-
	1,371	442,504	510,710	211,158	254
Expenditure					
Rental and maintenance	-	35,252	-	14,575	-
Insurance	-	-	-	34,440	-
Interest on current accounts and fixed deposits	-	2,336	-	2	6,051
Interest paid on negotiable instruments of deposits	-	-	-	50,646	-
Interest on short-term placements	60	-	-	3,681	8,790
Interest on lease liabilities	-	2,118	-	-	-
Interest on interbank placements	-	53,451	-	-	-
Interest on subordinated notes and capital securities	-	-	-	11,875	-
Management fees	7,414	-	-	55,183	-
Other miscellaneous expenses	382	19,917	-	4,986	-
	7,856	113,074	-	175,388	14,841

39 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Related party transactions and balances (continued)

The Bank	Parent company RM'000	Subsidiary companies RM'000	Associated companies RM'000	Other related companies RM'000	Key management personnel RM'000
2026					
Amounts due from					
Interbank placements	-	309,284	-	121,286	-
Current accounts	-	125	20,548	-	-
Subordinated notes and capital securities	-	804,906	-	-	-
Loans	-	262,469	-	-	6,487
Right-of-use assets	-	7,382	-	-	-
Wholesale funds	-	-	-	1,348,742	-
Credit card balances	-	-	-	-	788
Derivative assets	-	190,361	-	27,324	-
Advance rental and deposit	-	8,783	-	2,294	-
Intercompany settlement	-	28,413	-	-	-
Others	28	344	-	9,657	-
	28	1,612,067	20,548	1,509,303	7,275
Amounts due to					
Interbank placements	-	1,289,865	-	-	-
Current accounts and fixed deposits	-	97,955	-	48,665	61,827
Short-term placements	-	-	-	643,682	520,790
Negotiable instruments of deposits	-	-	-	1,791,757	-
Subordinated notes and capital securities	-	-	-	295,000	-
Derivative liabilities	-	45,471	-	53,468	-
Lease liabilities	-	9,431	-	-	-
Provision for reinstatement cost	-	6,940	-	-	-
Intercompany settlement	-	300,488	-	-	-
Others	-	8,214	-	-	-
	-	1,758,364	-	2,832,572	582,617
Commitments and contingencies					
Derivative related contracts	-	16,961,810	-	2,523,439	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

39 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Related party transactions and balances (continued)

The Bank	Parent company RM'000	Subsidiary companies RM'000	Associated companies RM'000	Other related companies RM'000	Key management personnel RM'000
2025					
Income					
Interest:					
- loans	-	12,831	-	-	184
- interbank placements	-	18,695	-	128	-
- current accounts	-	-	305	-	-
- negotiable instruments of deposits	-	-	-	41,921	-
- redeemable preference shares	-	-	-	869	-
- subordinated facilities	-	6,218	-	-	-
Dividend income	-	-	486,270	56,489	-
Commitment fee and bank charges	-	-	-	-	78
Commission on Group products/ services sold	-	-	-	103,946	-
Brokerage commission	-	-	-	62	-
Reimbursement of shared service cost	649	322,417	-	8,687	-
	649	360,161	486,575	212,102	262
Expenditure					
Rental and maintenance	-	919	-	12,633	-
Insurance	-	-	-	37,230	-
Interest on current accounts and fixed deposits	-	1,781	-	1	6,731
Interest on short-term placements	30	-	-	2,725	6,559
Interest on lease liabilities	-	2,200	-	-	-
Interest on interbank placements	-	70,072	-	-	-
Interest on subordinated notes and capital securities	-	-	-	10,515	-
Management fees	7,258	-	-	54,094	-
Other miscellaneous expenses	204	1,540	-	4,583	-
	7,492	76,512	-	121,781	13,290

39 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Related party transactions and balances (continued)

The Bank	Parent company RM'000	Subsidiary companies RM'000	Associated companies RM'000	Other related companies RM'000	Key management personnel RM'000
2025					
Amounts due from					
Interbank placements	-	76,178	-	118,174	-
Current accounts	-	124	20,396	-	-
Negotiable instruments of deposits	-	-	-	989,365	-
Loans	-	270,938	-	-	4,662
Right-of-use assets	-	38,569	-	-	-
Wholesale funds	-	-	-	2,239,039	-
Credit card balances	-	-	-	-	1,168
Derivative assets	-	121,754	-	112,160	-
Advance rental and deposit	-	8,783	-	2,294	-
Intercompany settlement	-	319,148	-	-	-
Others	-	710	-	195	-
	-	836,204	20,396	3,461,227	5,830
Amounts due to					
Interbank placements	-	1,362,231	-	-	-
Current accounts and fixed deposits	-	73,813	-	52,506	37,816
Short-term placements	-	-	-	455,360	456,301
Subordinated notes and capital securities	-	-	-	260,003	-
Derivative liabilities	-	182,923	-	59,002	-
Lease liabilities	-	38,459	-	-	-
Provision for reinstatement cost	-	6,940	-	-	-
Intercompany settlement	-	432,107	-	-	-
Others	-	-	-	92	-
	-	2,096,473	-	826,963	494,117
Commitments and contingencies					
Derivative related contracts	-	10,911,835	-	2,403,050	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

39 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Related party transactions and balances (continued)

	The Group and The Bank	
	2026 RM'000	2025 RM'000
The approved limit on loans, advances and financing for key management personnel	**13,278**	11,221

(c) Key management personnel

Key management compensation

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Salaries and other short-term employee benefits	**32,313**	25,909	**31,111**	24,849
Director fees	**1,266**	1,295	**1,223**	1,205
ESS expenses	**68,589**	48,701	**68,589**	48,701

Included in the above is the Directors' remuneration which is disclosed in Note 40 to the financial statements.

Loans made to key management personnel of the Group and the Bank will be on similar terms and conditions generally available to other employees within the Group. No impairment allowances were required in 2026 and 2025 for loans made to key management personnel.

(d) Credit transactions and exposures with connected parties

Credit exposures with connected parties as per BNM's revised "Guidelines on Credit Transactions and Exposures with Connected Parties" which became effective on 1 January 2008 are as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Outstanding credit exposures with connected parties	**4,322,878**	3,338,612	**3,445,043**	2,706,179
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	**1.71%**	1.43%	**1.82%**	1.54%
Percentage of outstanding credit exposures with connected parties which is non-performing or in default	**0.00000%**	0.00001%	**0.00000%**	0.00002%

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

39 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(e) Intercompany charges

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

The Bank	Interest on deposits and placements of banks and other institutions RM'000	Interest on lease liabilities RM'000	Interest on deposits from customers RM'000	Interest on subordinated notes and capital securities RM'000	Rental and maintenance RM'000	Management fees RM'000	Insurance RM'000	Others RM'000
2026								
Malaysia	**-**	**2,118**	**56,521**	**11,875**	**37,525**	**62,226**	**34,428**	**20,183**
Singapore	**-**	**-**	**204**	**-**	**10,203**	**-**	**-**	**139**
Hong Kong	**-**	**-**	**-**	**-**	**2,099**	**371**	**12**	**332**
Vietnam	**31,841**	**-**	**-**	**-**	**-**	**-**	**-**	**342**
Cambodia	**21,610**	**-**	**-**	**-**	**-**	**-**	**-**	**4,289**
	53,451	**2,118**	**56,725**	**11,875**	**49,827**	**62,597**	**34,440**	**25,285**
2025								
Malaysia	-	2,200	4,537	10,515	3.170	60,966	37,157	5,252
Singapore	-	-	-	-	7,541	-	-	8
Hong Kong	-	-	-	-	2,841	386	73	340
Vietnam	38,716	-	-	-	-	-	-	50
Cambodia	31,356	-	-	-	-	-	-	677
	70,072	2,200	4,537	10,515	13,552	61,352	37,230	6,327

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

40 CHIEF EXECUTIVE OFFICER ("CEO") AND DIRECTORS' REMUNERATION

Forms of remuneration in aggregate for CEO and all Directors and for the financial year are as follows:

	The Group				The Bank			
	Salaries, bonuses, allowances and defined contribution retirement plan RM'000	Director fees RM'000	Estimated money value for benefits-in-kind RM'000	Total RM'000	Salaries, bonuses, allowances and defined contribution retirement plan RM'000	Director fees RM'000	Estimated money value for benefits-in-kind RM'000	Total RM'000
2026								
CEO								
Mr Lam Sai Yoke	**11,400**	**-**	**2,786**	**14,186**	**11,400**	**-**	**2,786**	**14,186**
Executive Director								
Mr Tan Kong Khoon	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-executive Directors								
YBhg Tan Sri Quek Leng Chan	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mr Kwek Leng Hai	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Ms Lau Souk Huan	**76**	**370**	**-**	**446**	**76**	**370**	**-**	**446**
Ms Cheong Soo Ching	**60**	**305**	**-**	**365**	**60**	**305**	**-**	**365**
YBhg Datuk Manharlal A/L Ratilal	**72**	**366**	**-**	**438**	**72**	**366**	**-**	**438**
Encik Alan Hamzah Sendut [(1)]	**28**	**171**	**-**	**199**	**18**	**128**	**-**	**146**
Puan Marzida Binti Mohd Noor [(2)]	**10**	**54**	**-**	**64**	**10**	**54**	**-**	**64**
	246#	**1,266**	**-**	**1,512**	**236#**	**1,223**	**-**	**1,459**
Directors of subsidiaries	**3,138**	**1,020**	**573**	**4,731**	**-**	**-**	**-**	**-**
Total CEO and Directors' remuneration	**14,784**	**2,286**	**3,359**	**20,429**	**11,636**	**1,223**	**2,786**	**15,645**

The movement and details of the Directors of the Group and the Bank in office and interests in shares and share options are reported in the Directors' report.

(1) Appointed with effect from 28 October 2025

(2) Appointed with effect from 6 April 2026

\# Directors' meeting allowances

Note: During the financial year, Directors and Officers of the Group and the Bank are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors and Officers of the Group and the Bank subject to the terms of the policy. The total amount of Directors' & Officers' Liability Insurance effected for the Directors & Officers of the holding company was RM10.0 million. The total amount of premium paid by the holding company for the Directors' & Officers' Liability Insurance was RM85,500 (2025: RM85,500), of which RM71,489 was apportioned to and paid by the Bank in respect of HLB and its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

40 CHIEF EXECUTIVE OFFICER ("CEO") AND DIRECTORS' REMUNERATION (CONTINUED)

Forms of remuneration in aggregate for CEO and all Directors and for the financial year are as follows: (continued)

	The Group				The Bank			
	Salaries, bonuses, allowances and defined contribution retirement plan RM'000	Director fees RM'000	Estimated money value for benefits-in-kind RM'000	Total RM'000	Salaries, bonuses, allowances and defined contribution retirement plan RM'000	Director fees RM'000	Estimated money value for benefits-in-kind RM'000	Total RM'000
2025								
CEO								
Mr Lam Sai Yoke	8,634	-	2,538	11,172	8,634	-	2,538	11,172
Executive Director								
Mr Tan Kong Khoon	-	-	-	-	-	-	-	-
Non-executive Directors								
YBhg Tan Sri Quek Leng Chan	-	-	-	-	-	-	-	-
Mr Kwek Leng Hai	-	-	-	-	-	-	-	-
Ms Lau Souk Huan	76	361	-	437	76	361	-	437
Ms Cheong Soo Ching	58	294	-	352	58	294	-	352
YBhg Datuk Manharlal A/L Ratilal	76	365	-	441	76	365	-	441
Puan Fa'izah binti Mohamed Amin [(1)]	-	8	-	8	-	8	-	8
YBhg Datuk Dr Md Hamzah bin Md Kassim [(2)]	58	267	-	325	30	177	-	207
	268[#]	1,295	-	1,563	240[#]	1,205	-	1,445
Directors of subsidiaries	3,341	876	533	4,750	-	-	-	-
Total CEO and Directors' remuneration	12,243	2,171	3,071	17,485	8,874	1,205	2,538	12,617

The movement and details of the Directors of the Group and the Bank in office and interests in shares and share options are reported in the Directors' report.

(1) Resigned with effect from 15 July 2024

(2) Retired with effect from 18 May 2025

Directors' meeting allowances

Note: During the financial year, Directors and Officers of the Group and the Bank are covered under the Directors' & Officers' Liability Insurance in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors and Officers of the Group and the Bank subject to the terms of the policy. The total amount of Directors' & Officers' Liability Insurance effected for the Directors & Officers of the holding company was RM10.0 million. The total amount of premium paid for the Directors' & Officers' Liability Insurance by the holding company was RM85,500 and the apportioned amount of the said premium paid by the Group and the Bank was RM71,139 and RM62,285 respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

41 TAXATION

	Note	The Group 2026 RM'000	The Group 2025 RM'000	The Bank 2026 RM'000	The Bank 2025 RM'000
Income tax:					
- Current year		**989,519**	1,036,939	**896,031**	935,465
- Over accrual in prior years		**(48,810)**	(3,024)	**(37,361)**	(1,906)
		940,709	1,033,915	**858,670**	933,559
Deferred tax	13	**8,273**	52,982	**10,243**	26,961
Taxation		**948,982**	1,086,897	**868,913**	960,520

The effective tax rate for the Group and Bank differed from the statutory rate of taxation due to:

	The Group 2026 RM'000	The Group 2025 RM'000	The Bank 2026 RM'000	The Bank 2025 RM'000
Profit before taxation	**5,480,478**	5,360,339	**3,800,791**	3,964,432
Tax calculated at a rate of 24%	**1,315,315**	1,286,481	**912,190**	951,464
Tax effects of:				
- Income not subject to tax	**(50,156)**	(16,973)	**(24,383)**	(35,649)
- Share of net income of foreign associated companies	**(331,227)**	(351,723)	**-**	-
- Dilution loss of associated company	**-**	97,824	**-**	-
- Expenses not deductible for tax purposes	**22,477**	41,387	**18,467**	46,611
- Withholding tax on foreign income	**41,383**	32,925	**-**	-
Over accrual in prior years	**(48,810)**	(3,024)	**(37,361)**	(1,906)
Taxation	**948,982**	1,086,897	**868,913**	960,520

	The Group 2026 RM'000	The Group 2025 RM'000
Unused tax losses from a wholly owned subsidiary for which no deferred tax is recognised in the financial statements*	**28,248**	28,248

* Under the Malaysian Finance Act 2021 which was gazetted on 31 December 2021, the Group's unutilised tax losses can be utilised up to a maximum of ten consecutive years effective retrospectively from YA 2019.

42 EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share from operations is calculated by dividing the net profit attributable to ordinary equity holders of the Bank after taxation by the weighted average number of ordinary shares in issue during the financial year, excluding the average number of ordinary shares purchased by the Bank and held as treasury shares.

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Net profit attributable to equity holders	**4,531,496**	4,273,442	**2,931,878**	3,003,912
Weighted average number of ordinary shares in issue ('000)	**2,050,305**	2,050,018	**2,050,305**	2,050,018
Basic earnings per share (sen)	**221.0**	208.5	**143.0**	146.5

Diluted earnings per share

The Bank has two categories of dilutive potential ordinary shares, which are the share options and ordinary shares granted under the ESS. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Bank's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as below is compared with the number of shares that would have been issued assuming the exercise of the share options.

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Net profit attributable to equity holders	**4,531,496**	4,273,442	**2,931,878**	3,003,912
Weighted average number of ordinary shares in issue ('000)	**2,050,305**	2,050,018	**2,050,305**	2,050,018
- Adjustment for ESS	**11,504**	11,311	**11,504**	11,311
	2,061,809	2,061,329	**2,061,809**	2,061,329
Diluted earnings per share (sen)	**219.8**	207.3	**142.2**	145.7

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

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

	2026			2025		
	Before tax RM'000	Tax benefits RM'000	Net of tax amount RM'000	Before tax RM'000	Tax benefits RM'000	Net of tax amount RM'000
The Group						
Debt instruments at fair value through other comprehensive income						
- Net fair value changes and changes in expected credit losses	**(215,617)**	**31,822**	**(183,795)**	443,533	(91,148)	352,385
The Bank						
Debt instruments at fair value through other comprehensive income						
- Net fair value changes and changes in expected credit losses	**(144,386)**	**28,096**	**(116,290)**	365,982	(72,578)	293,404

44 DIVIDENDS

	The Group and The Bank			
	2026		2025	
	Gross dividends per share sen	Amount of dividends net of tax RM'000	Gross dividends per share sen	Amount of dividends net of tax RM'000
Final dividend paid				
- for financial year ended 30 June 2025	**68.0**	**1,394,169**	-	-
- for financial year ended 30 June 2024	**-**	**-**	43.0	881,486
Interim dividend paid				
- for financial year ended 30 June 2026	**30.0**	**615,104**	-	-
- for financial year ended 30 June 2025	**-**	**-**	28.0	574,013
	98.0	**2,009,273**	71.0	1,455,499

The Directors have declared a final single tier dividend of 80.0 sen per share in respect of the financial year ended 30 June 2026. The financial statements for the current financial year do not reflect this dividend and it will be accounted for in equity as an appropriation of retained profits in the next financial year ending 30 June 2027.

45 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. These commitments and contingencies are also not secured over the assets of the Group.

The notional amounts of the commitments and contingencies constitute the following:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	**2026 RM'000**	2025 RM'000
Direct credit substitutes*	**228,235**	210,609	**211,477**	193,775
Certain transaction related contingent items	**4,215,423**	3,411,783	**3,130,045**	2,507,035
Short-term self liquidating trade related contingencies	**1,672,826**	1,264,218	**1,375,028**	1,100,777
Irrevocable commitments to extend credit:				
- maturity more than one year	**21,461,549**	19,529,325	**15,941,932**	14,426,386
- maturity less than one year	**28,609,026**	26,446,492	**21,715,134**	21,013,150
Foreign exchange related contracts:^				
- less than one year	**99,072,629**	89,286,183	**89,709,931**	79,218,455
- one year to five years	**4,228,599**	4,577,090	**4,132,364**	4,577,090
- over five years	**840,326**	644,083	**908,594**	644,083
Interest rate related contracts:^				
- less than one year	**98,625,039**	74,020,241	**99,803,804**	74,020,241
- one year to five years	**148,696,586**	138,138,796	**154,298,883**	143,434,429
- over five years	**6,342,550**	5,595,907	**6,278,550**	5,553,317
Equity related contracts:^				
- less than one year	**862,027**	552,871	**862,027**	552,871
- one year to five years	**928,988**	1,148,149	**928,988**	1,148,149
Credit related contracts:^				
- less than one year	**215,842**	256,983	**215,842**	256,983
- one year to five years	**10,826**	12,129	**10,826**	12,129
- over five years	**1,546,475**	1,549,149	**1,546,475**	1,549,149
Commodity related contracts:				
- less than one year	**1,515,416**	421,710	**1,515,416**	421,710
- one year to five years	**941,118**	1,172,318	**941,118**	1,172,318
Unutilised credit card lines	**8,751,788**	7,810,930	**8,751,788**	7,810,930
	428,765,268	376,048,966	**412,278,222**	359,612,977

^ These derivatives are revalued at gross position basis and the fair value have been reflected in Note 10 to the financial statements as derivatives assets or derivatives liabilities.

* Included in direct credit substitutes above are the financial guarantee contracts of RM136,295,667 and RM136,295,667 at Group and Bank, respectively (2025: RM121,395,669 and RM121,395,669 at Group and Bank, respectively), of which fair value at the time of issuance is RM Nil.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

46 CAPITAL COMMITMENTS

The capital commitments are in respect of:
- Property and equipment
- Intangible assets

Capital expenditure approved by the Directors but not provided for in the financial statements are as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Authorised and contracted for	**112,514**	82,418	**111,132**	80,827
Authorised but not contracted for	**158,100**	179,615	**154,447**	179,290
	270,614	262,033	**265,579**	260,117

47 HOLDING AND ULTIMATE HOLDING COMPANIES

The holding and ultimate holding companies are Hong Leong Financial Group Berhad and Hong Leong Company (Malaysia) Berhad, respectively. Both companies are incorporated in Malaysia.

48 FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

Overview and organisation

The Bank has implemented a risk management framework with the objective to ensure the overall financial soundness and stability of the Bank's business operations. The risk management framework outlines the overall governance structure, aspiration, values and risk management strategies which aligns the Bank's risk profile, capital strategies and return objectives. Appropriate methodologies and measurements have been developed to manage uncertainties such that deviations from intended strategic objectives are closely monitored and kept within tolerable levels.

From a governance perspective, the Board has the overall responsibility to define the Bank's risk appetite and ensure that a robust risk management and compliance culture prevails. The Board is supported by the Board Risk Management Committee ("BRMC") in approving the Bank's risk management framework as well as the attendant capital management and planning policy, risk appetite statements, risk management strategies and risk policies.

Dedicated management level committees are established to oversee the development and the effectiveness of risk management policies, to review risk exposures and portfolio composition as well as to ensure appropriate infrastructures, resources and systems are put in place for effective risk management activities.

BRMC is supported by the Group Risk Management ("GRM") function. The GRM function has been established to provide independent oversight on the adequacy, effectiveness and integrity of risk management practices at all levels within the Bank. The core responsibilities of the GRM function is to support line management in identification and management of key and emerging risks for the Bank, to measure these risks, to manage the risk positions and to determine the optimum capital allocations. The Bank regularly reviews its risk management framework to reflect changes in market, products, regulatory requirements and emerging best market practices.

48 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management objectives and policies (continued)

Credit Risk Management

Credit risk arises as a result of customers or counterparties not being able to or willing to fulfil their financial and contractual obligations as and when they fall due. These obligations arise from lending, trade finance and other activities undertaken by the Bank.

The Bank has established a Board Policy on Credit Risk Governance to ensure that exposure to credit risk is kept within the Bank's financial capacity to withstand potential future losses. Lending activities are guided by the internal credit policies and guidelines which are reviewed and concurred by the Management Credit Committee ("MCC") and Credit Supervisory Committee ("CSC"), endorsed by the BRMC and approved by the Board. These policies are subject to review and enhancements, at least on an annual basis.

Credit portfolio strategies and significant exposures are reviewed by both the BRMC and the Board. These portfolio strategies are designed to achieve a desired portfolio risk tolerance level and sector distribution.

The Bank's credit approving process encompasses pre-approval evaluation, approval and post-approval evaluation. While the business units are responsible for credit origination, the credit approving function rests mainly with the Credit Evaluation Departments, the MCC and the CSC. The Board delegates the approving and discretionary authority to the MCC, CSC and the various personnel of the Bank based on job function and designation.

For any new products/product variation, credit risk assessment also forms part of the new product/product variation sign-off process to ensure that the new product complies with the appropriate policies and guidelines, prior to the introduction of the product.

The Bank's exposure to credit risk is mainly from its retail, small and medium enterprise ("SME"), commercial and corporate customers. The credit assessment for retail customers is managed on a portfolio basis and the risk scoring models and lending templates are designed to assess the credit worthiness and the likelihood of the obligors to repay their debts. The SME, commercial and corporate customers are individually assessed and assigned with a credit rating, which is based on the assessment of relevant factors such as the customer's financial position, industry outlook, types of facilities and collaterals offered. In addition, the Bank's credit risk assessment methods are progressively being enhanced to consider the effects of climate-related risks, as well as, its impact on the ability and willingness of customers to honour their credit obligations.

The Bank also conducts periodic stress testing of its credit portfolios to ascertain the credit risk impact to capital under the relevant stress scenarios.

The Bank's Independent Credit Review function conducts independent post approval reviews on sampling basis to ensure that the quality of credit appraisals, approval standards and operational robustness are in accordance with the credit standards, lending policies and the directives established and approved by the Bank's management.

Market Risk Management

Market risk is the risk of financial loss arising from exposure to adverse changes in values of financial instruments caused by changes in market prices or rates, which include changes to interest rates.

The Bank adopts a systematic approach in managing such risks by types of instruments and nature of exposure. Market risk is primarily controlled via a series of cut-loss limits and potential loss limits, i.e. Value at Risk ("VaR"), set in accordance with the size of positions and risk tolerance appetites.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management objectives and policies (continued)

Market Risk Management (continued)

Portfolios held under the Bank's trading books are tracked using daily mark-to-market positions, which are compared against preset limits. The daily tracking of positions is supplemented by sensitivity analysis and stress tests, using VaR and other measurements.

Foreign exchange risks arising from adverse exchange rate movements, is managed by the setting of preset limits, matching of open positions against these preset limits and imposition of cut-loss mechanisms.

Interest rate risk is identified, measured and controlled through various types of limits. In addition, the Bank regularly reviews the interest rate outlook and develops strategies to protect the total net interest income from adverse changes in market interest rates. This applies to both interest rate risk exposures in the trading book and the banking book. In managing interest rate risk in the banking book, the Bank measures Earnings at Risk ("EAR") and economic value or Capital at Risk ("CAR").

The Bank also conducts periodic stress testing of the respective portfolios and on an overall basis to ascertain market risk under abnormal market conditions.

Liquidity Risk Management

Liquidity risk is the risk of financial loss arising from the inability to fund increases in assets and/or meet obligations as they fall due. Financial obligations arise from the withdrawal of deposits, funding of loans committed and repayment of borrowed funds. It is the Bank's policy to ensure there is adequate liquidity across all business units to sustain ongoing operations, as well as sufficient liquidity to fund asset growth and strategic opportunities.

Besides adhering to the Regulatory Liquidity Requirements, the Bank has put in place a robust and comprehensive liquidity risk management framework consisting of risk appetite, policies, triggers and controls which are reviewed and concurred by the Group Assets and Liabilities Committee, endorsed by the BRMC and approved by the Board. The key elements of the framework cover proactive monitoring and management of cashflow, maintenance of high quality long-term and short-term marketable debt securities, diversification of funding base as well as maintenance of a liquidity compliance buffer to meet any unexpected cash outflows.

The Bank has in place a liquidity contingency funding plan and stress test programs to minimise the liquidity risk that may arise due to unforeseen adverse changes in the marketplace. The contingency funding plan sets out the crisis escalation process, various strategies to be employed to preserve liquidity and includes an orderly communication channel during liquidity crisis scenarios. Liquidity stress tests are conducted regularly to ensure there are adequate liquidity contingency funds to meet potential shortfalls in the event of a liquidity crisis. Furthermore, the Bank has established a recovery plan framework, which identifies recovery thresholds to be monitored for liquidity, cash outflow and capital-related ratios. The framework also includes governance process for escalation of excess in thresholds and a strategy for the Bank's execution of a suite of recovery options in order to restore long-term viability, in idiosyncratic and system-wide stress events.

48 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management objectives and policies (continued)

Crisis Related Risk Management

Crisis related risk is the risk of financial, operational, reputational or strategic losses arising from severe internal or external events that may adversely impact the Bank's customers, financial markets, operations or critical services. Such events may include pandemics, climate and physical hazards, geopolitical developments, technology disruptions, cybersecurity incidents, risks arising from emerging technologies and other systemic disruptions.

The Bank remains highly cognizant of emerging risks and potentially high impact events across the operating environment. To ensure its operations and services are maintained fully functional in the event of a crisis, the Bank has put in place a strategic plan to continuously build, maintain, and strengthen its operational resilience. This is achieved through close and active monitoring of short and long-term horizons, alongside continuous simulations and testing designed to assess the Bank's ability to withstand, respond to, and recover from severe but plausible disruptions. Consequently, by subjecting its Business Continuity Management ("BCM") plans and processes to rigorous challenges based on various scenarios, the Bank continuously enhances its preparedness and recovery capabilities to ensure it can successfully navigate and endure future crises.

Environment, Social and Governance Risk Management

Environment, Social and Governance ("ESG") Risks are a complex collective action problem that gives rise to financial loss arising from current or prospective impacts of ESG factors. Financial risks may arise from Physical, Transition and Liability Risk which spreads across most key assets of the Bank.

The Bank has incorporated ESG and sustainability considerations within its business practices to ensure creation of long-term socioeconomic benefits for the communities it serves. The Bank has in place a Sustainability Risk Governance Framework that is aligned with the Bank's overall Risk Management Framework. This provides a structured approach towards identifying, evaluating, quantifying, monitoring, mitigating and reporting ESG risks. The Sustainability Risk Governance Framework acts as a guide for the Bank to adopt pragmatic measures to ensure long-term value to its stakeholders whilst positively impacting the communities and the environment in which it operates.

Furthermore, the Bank's ESG Policy and Assessment Framework embeds ESG criteria in the Bank's credit evaluation of its corporate customers as the transition to a low carbon and climate-resilient economy. This framework includes an internal ESG risk rating system and additional guidelines for high-risk sectors such as forestry, metals and mining/quarrying, non-renewable energy and palm oil. This is supplemented by BNM's Climate Change and Principle-based Taxonomy ("CCPT") when conducting the client's ESG assessment.

Although ESG presents risks, the Bank has introduced initiatives that mitigate and adapt to these risks, allowing it to capitalise on potential opportunities to enhance resource efficiencies, adopt low-emission energy sources, develop new green products and services, gain access to new markets and strengthen its overall risk resilience.

Recognising the need for financial institutions to accelerate efforts to manage climate-related risks, the Bank has established ESG related strategies, practices, processes and procedures to ensure that it can continue to provide long-term value to its stakeholders in tandem with ESG related developments and aspirations. The Bank adheres to stringent standards when assessing its operational carbon footprint to avoid greenwashing. The Bank also sets out strict guidelines for financing green projects/assets in accordance with its Green Bond Framework, ensuring that the project impact is meaningful and fit for purpose.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk

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

The scenarios used are simplified whereby it is assumed that all key variables for all maturities move at the same time and by the same magnitude and do not incorporate actions that would be otherwise taken by the business units and risk management to mitigate the effect of this movement in key variables. In reality, the Group and the Bank proactively seek to ensure that the interest rate risk profile is managed to minimise losses and optimise net revenues.

(i) Interest/Profit rate risk sensitivity analysis

The interest/profit rate sensitivity results below shows the impact on profit after tax and equity of financial assets and financial liabilities bearing floating interest/profit rates and fixed rate financial assets and financial liabilities carried at fair value.

	The Group		The Bank	
	Impact on profit after tax RM'000	**Impact on equity RM'000**	**Impact on profit after tax RM'000**	**Impact on equity RM'000**
2026				
Increase/(Decrease)				
+100 basis points ("bps")	**305,551**	**(754,808)**	**215,872**	**(607,260)**
-100 bps	**(305,551)**	**754,808**	**(215,872)**	**607,260**
2025				
Increase/(Decrease)				
+100 basis points ("bps")	268,053	(584,153)	211,690	(425,636)
-100 bps	(268,053)	584,153	(211,690)	425,636

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

(ii) Foreign currency risk sensitivity analysis

The Group and the Bank take on exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on their financial position and cash flows.

The table below sets out the principal structure of foreign exchange exposures of the Group and the Bank:

The Group	2026 RM'000	2025 RM'000
Asset/(Liability)		
United States Dollar ("USD")	**406,273**	343,019
Euro ("EUR")	**15,794**	(25,242)
Great Britain Pound ("GBP")	**(8,080)**	5,523
Singapore Dollar ("SGD")	**(50,606)**	63,914
Australian Dollar ("AUD")	**(73,209)**	(19,996)
Chinese Yuan Renminbi ("CNY")	**105,480**	121,840
Hong Kong Dollar ("HKD")	**(466,061)**	(390,632)
Others	**128,935**	65,730
	58,526	164,156

The Bank	2026 RM'000	2025 RM'000
Asset/(Liability)		
United States Dollar ("USD")	**410,982**	332,455
Euro ("EUR")	**14,548**	(25,178)
Great Britain Pound ("GBP")	**(16,820)**	2,524
Singapore Dollar ("SGD")	**(56,435)**	60,811
Australian Dollar ("AUD")	**(71,427)**	(22,425)
Chinese Yuan Renminbi ("CNY")	**90,451**	113,978
Hong Kong Dollar ("HKD")	**(466,313)**	(391,654)
Others	**80,346**	42,810
	(14,668)	113,321

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

(ii) Foreign currency risk sensitivity analysis (continued)

An analysis of the exposures to assess the impact of a one per cent change in the foreign currency exchange rates to the profit after tax are as follows:

The Group	2026 RM'000	2025 RM'000
Increase/(Decrease)		
-1%		
United States Dollar ("USD")	**(3,088)**	(2,607)
Euro ("EUR")	**(120)**	192
Great Britain Pound ("GBP")	**61**	(42)
Singapore Dollar ("SGD")	**385**	(486)
Australian Dollar ("AUD")	**556**	152
Chinese Yuan Renminbi ("CNY")	**(802)**	(926)
Hong Kong Dollar ("HKD")	**3,542**	2,969
Others	**(980)**	(500)
	(446)	(1,248)
+1%		
United States Dollar ("USD")	**3,088**	2,607
Euro ("EUR")	**120**	(192)
Great Britain Pound ("GBP")	**(61)**	42
Singapore Dollar ("SGD")	**(385)**	486
Australian Dollar ("AUD")	**(556)**	(152)
Chinese Yuan Renminbi ("CNY")	**802**	926
Hong Kong Dollar ("HKD")	**(3,542)**	(2,969)
Others	**980**	500
	446	1,248

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

(ii) Foreign currency risk sensitivity analysis (continued)

An analysis of the exposures to assess the impact of a one per cent change in the foreign currency exchange rates to the profit after tax are as follows: (continued)

The Bank	2026 RM'000	2025 RM'000
Increase/(Decrease)		
-1%		
United States Dollar ("USD")	**(3,123)**	(2,527)
Euro ("EUR")	**(111)**	191
Great Britain Pound ("GBP")	**128**	(19)
Singapore Dollar ("SGD")	**429**	(462)
Australian Dollar ("AUD")	**543**	170
Chinese Yuan Renminbi ("CNY")	**(687)**	(866)
Hong Kong Dollar ("HKD")	**3,544**	2,977
Others	**(611)**	(325)
	112	(861)
+1%		
United States Dollar ("USD")	**3,123**	2,527
Euro ("EUR")	**111**	(191)
Great Britain Pound ("GBP")	**(128)**	19
Singapore Dollar ("SGD")	**(429)**	462
Australian Dollar ("AUD")	**(543)**	(170)
Chinese Yuan Renminbi ("CNY")	**687**	866
Hong Kong Dollar ("HKD")	**(3,544)**	(2,977)
Others	**611**	325
	(112)	861

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk

The tables below summarise the Group's and the Bank's exposure to interest/profit rate risks. Included in the tables are the Group's and the Bank's financial assets and financial liabilities at their carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The net interest sensitivity gap for items not recognised in the statements of financial position represents the net notional amounts of all interest/profit rate sensitive derivative financial instruments. As interest rates and yield curves change over time, the Group and the Bank may be exposed to loss in earnings due to the effects of interest rates on the structure of the statement of financial position. Sensitivity to interest/profit rates arises from mismatches in the repricing dates, cash flows and other characteristics of the financial assets and their corresponding financial liabilities funding.

	The Group 2026 Non-trading book							
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit rate sensitive RM'000	Trading book RM'000	Total RM'000
Financial assets								
Cash and short-term funds	8,894,898	-	-	-	-	1,988,179	-	10,883,077
Deposits and placements with banks and other financial institutions	-	18,755	4,980	-	-	18	-	23,753
Securities purchased under resale agreements	522,474	209,771	466,861	-	-	9,853	-	1,208,959
Financial assets at fair value through profit or loss	-	-	-	-	-	1,770,414	5,561,149	7,331,563
Financial investments at fair value through other comprehensive income	1,353,054	1,705,448	1,231,285	29,800,423	2,366,373	733,284	-	37,189,867
Financial investments at amortised cost	478,127	20,029	3,776,160	16,769,434	3,806,430	210,842	-	25,061,022
Loans, advances and financing								
- performing	177,206,841	2,342,495	1,832,207	9,147,306	33,755,930	-	-	224,284,779
- impaired^	238,838	5,691	18,812	89,398	627,649	-	-	980,388
Other assets	163,780	-	-	-	-	2,953,661	-	3,117,441
Derivative financial instruments								
- trading derivatives	-	-	-	-	-	-	2,216,677	2,216,677
- hedging derivatives	-	-	277	-	-	-	-	277
Statutory deposits with Central Banks	-	-	-	-	-	2,143,307	-	2,143,307
Total financial assets	188,858,012	4,302,189	7,330,582	55,806,561	40,556,382	9,809,558	7,777,826	314,441,110

^ This represents outstanding impaired loans after deducting expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

	The Group 2026 Non-trading book							
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit rate sensitive RM'000	Trading book RM'000	Total RM'000
Financial liabilities								
Deposits from customers	75,532,333	48,591,114	55,900,953	11,252,852	1,171,554	59,615,577	-	252,064,383
Investment accounts of customers	645,302	735,609	1,271,653	-	-	21,073	-	2,673,637
Deposits and placements of banks and other financial institutions	2,909,554	3,606,264	397,941	381,726	33,381	27,627	-	7,356,493
Obligations on securities sold under repurchase agreements	2,170,445	4,151,322	-	-	-	465	-	6,322,232
Bills and acceptances payable	7,870	42,558	46,287	-	-	195,442	-	292,157
Lease liabilities	3,617	7,311	30,380	83,025	25,806	-	-	150,139
Other liabilities	8,418	685	1,664	2,557	9,615	7,672,789	-	7,695,728
Derivative financial instruments								
- trading derivatives	-	-	-	-	-	-	2,324,404	2,324,404
Recourse obligation on loans sold to Cagamas	-	-	-	2,050,034	-	12,343	-	2,062,377
Senior debts	-	-	299,436	619,338	-	7,258	-	926,032
Tier 2 subordinated bonds	-	-	-	1,921,920	615,000	3,634	-	2,540,554
Multi-currency Additional Tier 1 Capital Securities	-	-	899,479	799,893	-	15,495	-	1,714,867
Total financial liabilities	81,277,539	57,134,863	58,847,793	17,111,345	1,855,356	67,571,703	2,324,404	286,123,003
Net interest sensitivity gap	107,580,473	(52,832,674)	(51,517,211)	38,695,216	38,701,026			
Financial guarantees	-	-	-	-	-	1,901,061		
Credit related commitments and contingencies	-	-	-	-	-	58,822,363		
Treasury related commitments and contingencies (hedging)	-	-	52,381	-	-	-		
Certain transaction related contingent items	-	-	-	-	-	4,215,423		
Net interest sensitivity gap	-	-	52,381	-	-	64,938,847		

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

	The Group 2025 Non-trading book							
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit rate sensitive RM'000	Trading book RM'000	Total RM'000
Financial assets								
Cash and short-term funds	8,827,986	-	-	-	-	1,162,886	-	9,990,872
Deposits and placements with banks and other financial institutions	-	2,665,746	564,295	-	-	19,478	-	3,249,519
Securities purchased under resale agreements	175,724	298,771	-	-	-	4,553	-	479,048
Financial assets at fair value through profit or loss	-	-	-	-	-	2,639,418	5,351,379	7,990,797
Financial investments at fair value through other comprehensive income	2,245,805	3,450,535	6,942,488	20,736,587	3,485,476	467,433	-	37,328,324
Financial investments at amortised cost	-	5,088,563	8,618,516	11,002,937	1,736,375	257,986	-	26,704,377
Loans, advances and financing								
- performing	162,442,375	1,815,978	1,546,875	7,768,424	34,568,579	-	-	208,142,231
- impaired^	96,535	922	22,088	97,073	605,741	-	-	822,359
Other assets	135,005	-	-	-	-	2,756,648	-	2,891,653
Derivative financial instruments								
- trading derivatives	-	-	-	-	-	-	2,257,079	2,257,079
- hedging derivatives	611	-	-	809	-	-	-	1,420
Statutory deposits with Central Banks	-	-	-	-	-	2,027,739	-	2,027,739
Total financial assets	173,924,041	13,320,515	17,694,262	39,605,830	40,396,171	9,336,141	7,608,458	301,885,418

^ This represents outstanding impaired loans after deducting expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

	The Group 2025 Non-trading book							
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit rate sensitive RM'000	Trading book RM'000	Total RM'000
Financial liabilities								
Deposits from customers	73,447,334	52,011,168	52,285,126	7,948,920	1,039,759	52,193,698	-	238,926,005
Investment accounts of customers	656,116	722,986	873,432	-	-	16,525	-	2,269,059
Deposits and placements of banks and other financial institutions	2,128,549	6,069,388	176,720	1,519,470	17,698	23,928	-	9,935,753
Obligations on securities sold under repurchase agreements	2,502,015	4,018,673	-	-	-	3,919	-	6,524,607
Bills and acceptances payable	8,205	48,953	81,013	-	-	138,328	-	276,499
Lease liabilities	3,222	6,563	28,854	95,801	25,521	-	-	159,961
Other liabilities	8,425	492	1,674	410	8,481	6,988,168	-	7,007,650
Derivative financial instruments								
- trading derivatives	-	-	-	-	-	-	2,649,563	2,649,563
- hedging derivatives	-	-	-	256	62	-	-	318
Recourse obligation on loans sold to Cagamas	-	-	1,700,065	800,185	-	12,746	-	2,512,996
Senior debts	-	-	-	799,561	-	6,852	-	806,413
Tier 2 subordinated bonds	-	-	-	1,573,143	325,000	3,372	-	1,901,515
Multi-currency Additional Tier 1 Capital Securities	-	-	-	1,699,366	-	15,495	-	1,714,861
Total financial liabilities	78,753,866	62,878,223	55,146,884	14,437,112	1,416,521	59,403,031	2,649,563	274,685,200
Net interest sensitivity gap	95,170,175	(49,557,708)	(37,452,622)	25,168,718	38,979,650			
Financial guarantees	-	-	-	-	-	1,474,827		
Credit related commitments and contingencies	-	-	-	-	-	53,786,747		
Treasury related commitments and contingencies (hedging)	-	-	210,700	542,778	16,667	-		
Certain transaction related contingent items	-	-	-	-	-	3,411,783		
Net interest sensitivity gap	-	-	210,700	542,778	16,667	58,673,357		

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

	The Bank 2026 Non-trading book							
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit rate sensitive RM'000	Trading book RM'000	Total RM'000
Financial assets								
Cash and short-term funds	7,145,641	-	-	-	-	1,986,922	-	9,132,563
Deposits and placements with banks and other financial institutions	-	-	4,981	-	-	18	-	4,999
Financial assets at fair value through profit or loss	-	-	-	-	-	1,770,414	4,124,498	5,894,912
Financial investments at fair value through other comprehensive income	1,262,972	1,670,408	1,196,027	23,757,646	1,755,521	652,922	-	30,295,496
Financial investments at amortised cost	478,127	20,029	3,087,365	12,991,447	3,605,714	163,653	-	20,346,335
Loans, advances and financing								
- performing	134,046,928	1,903,106	758,166	6,158,495	24,315,988	-	-	167,182,683
- impaired^	196,601	5,454	11,168	69,659	333,546	-	-	616,428
Other assets	163,780	-	-	-	-	2,911,816	-	3,075,596
Derivative financial instruments								
- trading derivatives	-	-	-	-	-	-	2,140,410	2,140,410
- hedging derivatives	-	-	277	-	-	-	-	277
Amount due from subsidiaries	-	-	-	-	-	28,757	-	28,757
Statutory deposits with Central Banks	-	-	-	-	-	1,545,677	-	1,545,677
Total financial assets	143,294,049	3,598,997	5,057,984	42,977,247	30,010,769	9,060,179	6,264,908	240,264,133

^ This represents outstanding impaired loans after deducting expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

	The Bank 2026 Non-trading book							
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit rate sensitive RM'000	Trading book RM'000	Total RM'000
Financial liabilities								
Deposits from customers	57,864,354	36,570,665	42,331,342	3,841,030	980,702	47,229,051	-	188,817,144
Deposits and placements of banks and other financial institutions	3,176,742	3,867,380	456,342	381,523	-	27,627	-	7,909,614
Obligations on securities sold under repurchase agreements	2,170,445	4,151,322	-	-	-	465	-	6,322,232
Bills and acceptances payable	4,943	35,949	38,322	-	-	160,836	-	240,050
Lease liabilities	4,749	9,468	40,877	160,999	238,198	-	-	454,291
Other liabilities	1,164	560	1,372	2,523	9,615	7,249,866	-	7,265,100
Derivative financial instruments								
- trading derivatives	-	-	-	-	-	-	2,061,684	2,061,684
Recourse obligation on loans sold to Cagamas	-	-	-	1,750,034	-	9,565	-	1,759,599
Senior debts	-	-	99,578	619,338	-	5,965	-	724,881
Tier 2 subordinated bonds	-	-	-	1,921,920	615,000	3,634	-	2,540,554
Multi-currency Additional Tier 1 Capital Securities	-	-	899,479	799,893	-	15,495	-	1,714,867
Total financial liabilities	63,222,397	44,635,344	43,867,312	9,477,260	1,843,515	54,702,504	2,061,684	219,810,016
Net interest sensitivity gap	80,071,652	(41,036,347)	(38,809,328)	33,499,987	28,167,254			
Financial guarantees	-	-	-	-	-	1,586,505		
Credit related commitments and contingencies	-	-	-	-	-	46,408,854		
Treasury related commitments and contingencies (hedging)	-	-	50,000	-	-	-		
Certain transaction related contingent items	-	-	-	-	-	3,130,045		
Net interest sensitivity gap	-	-	50,000	-	-	51,125,404		

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

	The Bank 2025 Non-trading book							
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit rate sensitive RM'000	Trading book RM'000	Total RM'000
Financial assets								
Cash and short-term funds	7,093,330	-	-	-	-	699,425	-	7,792,755
Deposits and placements with banks and other financial institutions	-	2,649,135	564,295	465,261	-	19,478	-	3,698,169
Financial assets at fair value through profit or loss	-	-	-	-	-	2,639,418	4,274,491	6,913,909
Financial investments at fair value through other comprehensive income	1,646,987	2,307,128	6,366,862	16,271,629	2,036,204	391,165	-	29,019,975
Financial investments at amortised cost	-	5,088,563	5,029,410	8,883,905	1,736,375	207,886	-	20,946,139
Loans, advances and financing								
- performing	123,772,494	1,425,566	583,324	5,803,412	23,921,198	-	-	155,505,994
- impaired^	73,558	956	11,723	78,450	360,605	-	-	525,292
Other assets	135,005	-	-	-	-	2,712,005	-	2,847,010
Derivative financial instruments								
- trading derivatives	-	-	-	-	-	-	2,180,769	2,180,769
- hedging derivatives	611	-	-	809	-	-	-	1,420
Amount due from subsidiaries	-	-	-	-	-	319,859	-	319,859
Statutory deposits with Central Banks	-	-	-	-	-	1,461,903	-	1,461,903
TOTAL FINANCIAL ASSETS	132,721,985	11,471,348	12,555,614	31,503,466	28,054,382	8,451,139	6,455,260	231,213,194

^ This represents outstanding impaired loans after deducting expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Market risk (continued)

Interest/Profit rate risk (continued)

	The Bank 2025 Non-trading book							
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest/ profit rate sensitive RM'000	Trading book RM'000	Total RM'000
Financial liabilities								
Deposits from customers	56,450,176	36,719,072	40,708,492	2,708,555	982,932	41,543,003	-	179,112,230
Deposits and placements of banks and other financial institutions	2,042,983	6,497,765	203,782	1,519,200	-	25,666	-	10,289,396
Obligations on securities sold under repurchase agreements	2,502,015	4,018,673	-	-	-	3,919	-	6,524,607
Bills and acceptances payable	7,179	41,519	57,020	-	-	98,725	-	204,443
Lease liabilities	5,942	11,921	50,482	90,627	25,007	-	-	183,979
Other liabilities	2,377	434	1,215	384	8,481	6,497,986	-	6,510,877
Derivative financial instruments								
- trading derivatives	-	-	-	-	-	-	2,482,813	2,482,813
- hedging derivatives	-	-	-	245	62	-	-	307
Recourse obligation on loans sold to Cagamas	-	-	700,016	800,185	-	8,243	-	1,508,444
Senior debts	-	-	-	599,516	-	5,581	-	605,097
Tier 2 subordinated bonds	-	-	-	1,573,143	325,000	3,372	-	1,901,515
Multi-currency Additional Tier 1 Capital Securities	-	-	-	1,699,366	-	15,495	-	1,714,861
Total financial liabilities	61,010,672	47,289,384	41,721,007	8,991,221	1,341,482	48,201,990	2,482,813	211,038,569
Net interest sensitivity gap	71,711,313	(35,818,036)	(29,165,393)	22,512,245	26,712,900			
Financial guarantees	-	-	-	-	-	1,294,552		
Credit related commitments and contingencies	-	-	-	-	-	43,250,466		
Treasury related commitments and contingencies (hedging)	-	-	210,700	542,778	-	-		
Certain transaction related contingent items	-	-	-	-	-	2,507,035		
Net interest sensitivity gap	-	-	210,700	542,778	-	47,052,053		

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk

Liquidity risk is defined as the current and prospective risk arising from the inability of the Group and the Bank to meet its contractual or regulatory obligations when they become due without incurring substantial losses. The liquidity risk is identified based on concentration, volatility of source of fund and funding maturity structure and it is measured primarily using BNM's New Liquidity Framework and depositor's concentration ratios. The Group and the Bank seek to project, monitor and manage its liquidity needs under normal as well as adverse circumstances.

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2026 based on the remaining contractual maturity:

	The Group 2026							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	9,508,953	1,374,124	-	-	-	-	-	10,883,077
Deposits and placements with banks and other financial institutions	-	-	18,754	4,999	-	-	-	23,753
Securities purchased under resale agreements	-	528,277	212,195	468,487	-	-	-	1,208,959
Financial assets at fair value through profit or loss	193	2,096,448	977,867	928,668	-	1,218,038	2,110,349	7,331,563
Financial investments at fair value through other comprehensive income	202,024	1,079,722	1,628,334	695,037	551,704	32,644,214	388,832	37,189,867
Financial investments at amortised cost	1,355	486,741	22,158	2,475,764	1,328,964	20,746,040	-	25,061,022
Loans, advances and financing	19,857,240	12,063,394	7,744,564	4,403,932	973,375	180,222,662	-	225,265,167
Other assets	2,946,467	13,732	25,826	33,079	26,912	4,438	215,721	3,266,175
Derivative financial instruments	82,682	259,433	370,753	256,779	273,757	973,550	-	2,216,954
Statutory deposits with Central Banks	-	-	-	-	-	-	2,143,307	2,143,307
Deferred tax assets	-	-	-	-	-	-	142,818	142,818
Investment in associated companies	-	-	-	-	-	-	10,352,079	10,352,079
Property and equipment	-	-	-	-	-	-	1,022,459	1,022,459
Intangible assets	-	-	-	-	-	-	320,151	320,151
Right-of-use assets	-	-	-	-	-	-	152,657	152,657
Goodwill	-	-	-	-	-	-	1,831,312	1,831,312
Total assets	32,598,914	17,901,871	11,000,451	9,266,745	3,154,712	235,808,942	18,679,685	328,411,320

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2026 based on the remaining contractual maturity: (continued)

	The Group 2026							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	102,838,831	30,062,759	49,055,532	25,107,969	31,227,082	13,772,210	-	252,064,383
Investment accounts of customers	279,858	372,613	741,579	862,505	417,082	-	-	2,673,637
Deposits and placements of banks and other financial institutions	732,312	2,198,447	3,611,839	329,691	69,097	415,107	-	7,356,493
Obligations on securities sold under repurchase agreements	763,094	1,407,561	4,151,577	-	-	-	-	6,322,232
Bills and acceptances payable	195,654	7,658	42,558	46,281	6	-	-	292,157
Lease liabilities	-	3,617	7,311	10,503	19,876	108,832	-	150,139
Other liabilities	7,670,112	189,343	14,517	850	11,094	34	114,042	7,999,992
Derivative financial instruments	83,210	191,799	377,404	173,851	256,907	1,241,233	-	2,324,404
Recourse obligation on loans sold to Cagamas	-	-	9,797	2,546	-	2,050,034	-	2,062,377
Provision for taxation	-	-	-	-	-	-	194,015	194,015
Senior debts	-	-	4,829	301,865	-	619,338	-	926,032
Tier 2 subordinated bonds	-	-	-	3,634	-	2,536,920	-	2,540,554
Multi-currency Additional Tier 1 Capital Securities	-	-	4,564	10,930	899,480	799,893	-	1,714,867
Total liabilities	112,563,071	34,433,797	58,021,507	26,850,625	32,900,624	21,543,601	308,057	286,621,282
Total equity	-	-	-	-	-	-	41,790,038	41,790,038
Total liabilities and equity	112,563,071	34,433,797	58,021,507	26,850,625	32,900,624	21,543,601	42,098,095	328,411,320
Net liquidity gap	(79,964,157)	(16,531,926)	(47,021,056)	(17,583,880)	(29,745,912)	214,265,341	18,371,628	41,790,038

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2025 based on the remaining contractual maturity:

	The Group 2025							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	8,720,373	1,270,499	-	-	-	-	-	9,990,872
Deposits and placements with banks and other financial institutions	-	-	2,681,053	568,466	-	-	-	3,249,519
Securities purchased under resale agreements	-	176,530	302,518	-	-	-	-	479,048
Financial assets at fair value through profit or loss	331,131	495,984	333,057	1,040,760	162,503	2,595,827	3,031,535	7,990,797
Financial investments at fair value through other comprehensive income	331,127	1,368,934	2,408,212	675,978	6,084,932	26,296,960	162,181	37,328,324
Financial investments at amortised cost	-	-	5,155,437	4,277,748	4,629,781	12,641,411	-	26,704,377
Loans, advances and financing	19,428,164	10,651,097	6,530,100	3,223,332	1,408,838	167,723,059	-	208,964,590
Other assets	2,473,884	11,670	22,220	27,113	15,567	1,479	467,181	3,019,114
Derivative financial instruments	67,171	148,837	249,394	169,009	142,404	1,481,684	-	2,258,499
Statutory deposits with Central Banks	-	-	-	-	-	-	2,027,739	2,027,739
Deferred tax assets	-	-	-	-	-	-	118,650	118,650
Investment in associated companies	-	-	-	-	-	-	9,210,641	9,210,641
Property and equipment	-	-	-	-	-	-	953,673	953,673
Intangible assets	-	-	-	-	-	-	334,629	334,629
Right-of-use assets	-	-	-	-	-	-	156,340	156,340
Goodwill	-	-	-	-	-	-	1,831,312	1,831,312
Total assets	31,351,850	14,123,551	17,681,991	9,982,406	12,444,025	210,740,420	18,293,881	314,618,124

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2025 based on the remaining contractual maturity: (continued)

	The Group 2025							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	93,609,624	29,912,106	52,530,985	29,734,539	23,051,937	10,086,814	-	238,926,005
Investment accounts of customers	174,016	487,877	727,733	717,581	161,852	-	-	2,269,059
Deposits and placements of banks and other financial institutions	884,714	1,258,656	6,078,645	79,078	97,492	1,537,168	-	9,935,753
Obligations on securities sold under repurchase agreements	135,947	2,368,922	4,019,738	-	-	-	-	6,524,607
Bills and acceptances payable	138,536	7,997	48,953	81,013	-	-	-	276,499
Lease liabilities	-	3,222	6,563	9,652	19,202	121,322	-	159,961
Other liabilities	7,028,656	186,589	16,830	624	11,640	-	89,919	7,334,258
Derivative financial instruments	73,429	237,984	345,128	273,791	211,061	1,508,488	-	2,649,881
Recourse obligation on loans sold to Cagamas	-	-	4,100	1,308,707	400,004	800,185	-	2,512,996
Provision for taxation	-	-	-	-	-	-	319,340	319,340
Senior debts	-	-	4,841	2,011	-	799,561	-	806,413
Tier 2 subordinated bonds	-	-	-	3,372	-	1,898,143	-	1,901,515
Multi-currency Additional Tier 1 Capital Securities	-	-	4,564	10,930	-	1,699,367	-	1,714,861
Total liabilities	102,044,922	34,463,353	63,788,080	32,221,298	23,953,188	18,451,048	409,259	275,331,148
Total equity	-	-	-	-	-	-	39,286,976	39,286,976
Total liabilities and equity	102,044,922	34,463,353	63,788,080	32,221,298	23,953,188	18,451,048	39,696,235	314,618,124
Net liquidity gap	(70,693,072)	(20,339,802)	(46,106,089)	(22,238,892)	(11,509,163)	192,289,372	17,884,622	39,286,976

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2026 based on the remaining contractual maturity:

	The Bank 2026							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	8,786,216	346,347	-	-	-	-	-	9,132,563
Deposits and placements with banks and other financial institutions	-	-	-	4,999	-	-	-	4,999
Financial assets at fair value through profit or loss	-	1,923,298	565,353	77,875	-	1,218,037	2,110,349	5,894,912
Financial investments at fair value through other comprehensive income	202,015	988,054	1,592,699	695,037	515,536	25,913,323	388,832	30,295,496
Financial investments at amortised cost	1,355	486,741	22,158	1,968,950	1,141,553	16,725,578	-	20,346,335
Loans, advances and financing	15,231,319	9,838,396	6,808,637	2,818,079	442,221	132,660,459	-	167,799,111
Other assets	2,967,672	13,178	24,718	31,422	26,842	4,438	143,123	3,211,393
Derivative financial instruments	83,103	254,531	362,217	192,487	248,448	999,901	-	2,140,687
Amount due from subsidiaries	-	-	-	-	-	-	28,757	28,757
Statutory deposits with Central Banks	-	-	-	-	-	-	1,545,677	1,545,677
Deferred tax assets	-	-	-	-	-	-	106,435	106,435
Subsidiary companies	-	-	-	-	-	-	2,640,447	2,640,447
Investment in associated companies	-	-	-	-	-	-	2,063,041	2,063,041
Property and equipment	-	-	-	-	-	-	498,235	498,235
Intangible assets	-	-	-	-	-	-	297,709	297,709
Right-of-use assets	-	-	-	-	-	-	455,188	455,188
Goodwill	-	-	-	-	-	-	1,771,547	1,771,547
Total assets	27,271,680	13,850,545	9,375,782	5,788,849	2,374,600	177,521,736	12,049,340	248,232,532

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2026 based on the remaining contractual maturity: (continued)

	The Bank 2026							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	80,952,119	22,140,639	36,921,748	18,792,541	23,881,624	6,128,473	-	188,817,144
Deposits and placements of banks and other financial institutions	813,241	2,384,706	3,872,955	388,092	69,097	381,523	-	7,909,614
Obligations on securities sold under repurchase agreements	763,094	1,407,561	4,151,577	-	-	-	-	6,322,232
Bills and acceptances payable	161,003	4,776	35,949	38,316	6	-	-	240,050
Lease liabilities	-	4,749	9,468	13,957	26,920	399,197	-	454,291
Other liabilities	6,886,302	189,255	14,392	750	2,644	303,044	115,588	7,511,975
Derivative financial instruments	79,259	176,292	353,430	149,098	226,820	1,076,785	-	2,061,684
Recourse obligation on loans sold to Cagamas	-	-	7,019	2,546	-	1,750,034	-	1,759,599
Provision for taxation	-	-	-	-	-	-	143,453	143,453
Senior debts	-	-	4,829	100,714	-	619,338	-	724,881
Tier 2 subordinated bonds	-	-	-	3,634	-	2,536,920	-	2,540,554
Multi-currency Additional Tier 1 Capital Securities	-	-	4,564	10,930	899,480	799,893	-	1,714,867
Total liabilities	89,655,018	26,307,978	45,375,931	19,500,578	25,106,591	13,995,207	259,041	220,200,344
Total equity	-	-	-	-	-	-	28,032,188	28,032,188
Total liabilities and equity	89,655,018	26,307,978	45,375,931	19,500,578	25,106,591	13,995,207	28,291,229	248,232,532
Net liquidity gap	(62,383,338)	(12,457,433)	(36,000,149)	(13,711,729)	(22,731,991)	163,526,529	11,790,299	28,032,188

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2025 based on the remaining contractual maturity:

	The Bank 2025							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Assets								
Cash and short-term funds	7,792,755	-	-	-	-	-	-	7,792,755
Deposits and placements with banks and other financial institutions	-	-	2,664,442	568,466	-	465,261	-	3,698,169
Financial assets at fair value through profit or loss	330,823	495,776	160,002	648,717	162,503	2,084,553	3,031,535	6,913,909
Financial investments at fair value through other comprehensive income	331,127	770,095	1,264,802	645,887	5,534,114	20,311,769	162,181	29,019,975
Financial investments at amortised cost	-	-	5,155,436	2,777,335	2,511,960	10,501,408	-	20,946,139
Loans, advances and financing	14,876,757	8,642,731	5,889,507	2,165,026	891,057	123,566,208	-	156,031,286
Other assets	2,783,936	11,142	21,165	25,534	15,425	1,404	105,081	2,963,687
Derivative financial instruments	48,538	138,463	229,362	143,839	117,978	1,504,009	-	2,182,189
Amount due from subsidiaries	-	-	-	-	-	-	319,859	319,859
Statutory deposits with Central Banks	-	-	-	-	-	-	1,461,903	1,461,903
Deferred tax assets	-	-	-	-	-	-	88,222	88,222
Subsidiary companies	-	-	-	-	-	-	2,644,574	2,644,574
Investment in associated companies	-	-	-	-	-	-	2,063,041	2,063,041
Property and equipment	-	-	-	-	-	-	415,980	415,980
Intangible assets	-	-	-	-	-	-	307,535	307,535
Right-of-use assets	-	-	-	-	-	-	177,400	177,400
Goodwill	-	-	-	-	-	-	1,771,547	1,771,547
Total assets	26,163,936	10,058,207	15,384,716	6,974,804	9,233,037	158,434,612	12,548,858	238,798,170

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the carrying amount of assets and liabilities (including non-financial instruments) as at 30 June 2025 based on the remaining contractual maturity: (continued)

	The Bank 2025							
	Up to 1 week RM'000	1 week to 1 month RM'000	1 to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	Over 1 year RM'000	No specific maturity RM'000	Total RM'000
Liabilities								
Deposits from customers	74,626,940	21,512,554	37,099,749	22,296,180	18,812,499	4,764,308	-	179,112,230
Deposits and placements of banks and other financial institutions	651,431	1,406,603	6,507,304	180,768	24,090	1,519,200	-	10,289,396
Obligations on securities sold under repurchase agreements	135,947	2,368,922	4,019,738	-	-	-	-	6,524,607
Bills and acceptances payable	98,907	6,997	41,519	57,020	-	-	-	204,443
Lease liabilities	-	5,942	11,921	17,798	32,684	115,634	-	183,979
Other liabilities	6,044,084	186,589	16,830	624	2,493	432,500	91,262	6,774,382
Derivative financial instruments	62,362	236,257	280,664	218,187	187,274	1,498,376	-	2,483,120
Recourse obligation on loans sold to Cagamas	-	-	4,100	304,155	400,004	800,185	-	1,508,444
Provision for taxation	-	-	-	-	-	-	246,201	246,201
Senior debts	-	-	4,841	740	-	599,516	-	605,097
Tier 2 subordinated bonds	-	-	-	3,372	-	1,898,143	-	1,901,515
Multi-currency Additional Tier 1 Capital Securities	-	-	4,564	10,930	-	1,699,367	-	1,714,861
Total liabilities	81,619,671	25,723,864	47,991,230	23,089,774	19,459,044	13,327,229	337,463	211,548,275
Total equity	-	-	-	-	-	-	27,249,895	27,249,895
Total liabilities and equity	81,619,671	25,723,864	47,991,230	23,089,774	19,459,044	13,327,229	27,587,358	238,798,170
Net liquidity gap	(55,455,735)	(15,665,657)	(32,606,514)	(16,114,970)	(10,226,007)	145,107,383	12,211,395	27,249,895

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The following table shows the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturities. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. The contractual maturity profile does not necessarily reflect the behavioural cash flows.

	The Group 2026					
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Financial liabilities						
Deposits from customers	134,797,625	49,346,141	57,570,124	14,355,510	2,138,164	258,207,564
Investment accounts of customers	601,384	768,049	1,326,776	-	-	2,696,209
Deposits and placements of banks and other financial institutions	2,937,189	3,867,228	168,249	26,800	388,104	7,387,570
Obligations on securities sold under repurchase agreements	2,170,732	4,152,319	-	-	-	6,323,051
Bills and acceptances payable	198,589	15,546	25,735	-	-	239,870
Lease liabilities	4,294	8,630	35,691	99,090	36,258	183,963
Other liabilities	7,681,207	685	1,664	2,557	9,615	7,695,728
Derivative financial instruments						
- Gross settled derivatives						
- Inflow	(27,549,937)	(19,168,860)	(15,787,992)	(2,197,596)	(19,443)	(64,723,828)
- Outflow	27,913,775	19,612,142	16,205,112	2,335,841	20,313	66,087,183
- Net settled derivatives	13,352	95,204	477,314	565,597	411,221	1,562,688
Recourse obligation on loans sold to Cagamas	-	18,741	56,053	2,154,518	-	2,229,312
Senior debts	-	9,578	320,949	680,490	-	1,011,017
Tier 2 subordinated bonds	-	-	101,821	2,186,835	650,845	2,939,501
Multi-currency Additional Tier 1 Capital Securities	-	8,570	967,280	843,472	-	1,819,322
Total financial liabilities	148,768,210	58,733,973	61,468,776	21,053,114	3,635,077	293,659,150

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The following table shows the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturities. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. The contractual maturity profile does not necessarily reflect the behavioural cash flows. (continued)

	The Group 2025					
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Financial liabilities						
Deposits from customers	125,190,765	52,861,915	53,815,838	10,077,087	1,976,671	243,922,276
Investment accounts of customers	686,261	755,037	912,488	-	-	2,353,786
Deposits and placements of banks and other financial institutions	2,360,865	6,145,588	306,350	1,519,140	358,357	10,690,300
Obligations on securities sold under repurchase agreements	2,518,050	4,024,463	-	-	-	6,542,513
Bills and acceptances payable	141,461	22,936	62,234	-	-	226,631
Lease liabilities	4,311	8,712	37,499	108,010	27,192	185,724
Other liabilities	6,996,593	492	1,674	410	8,481	7,007,650
Derivative financial instruments						
- Gross settled derivatives						
- Inflow	(32,132,919)	(17,763,713)	(16,607,730)	(2,241,783)	(86,080)	(68,832,225)
- Outflow	32,506,049	18,136,595	17,008,429	2,331,998	92,571	70,075,642
- Net settled derivatives	16,798	82,101	381,498	827,199	497,665	1,805,261
Recourse obligation on loans sold to Cagamas	-	8,069	1,767,097	846,962	-	2,622,128
Senior debts	-	9,578	21,632	872,785	-	903,995
Tier 2 subordinated bonds	-	-	76,427	1,800,101	350,094	2,226,622
Multi-currency Additional Tier 1 Capital Securities	-	8,570	67,280	1,819,322	-	1,895,172
Total financial liabilities	138,288,234	64,300,343	57,850,716	17,961,231	3,224,951	281,625,475

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The following table shows the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturities. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. The contractual maturity profile does not necessarily reflect the behavioural cash flows. (continued)

	The Bank 2026					
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Financial liabilities						
Deposits from customers	**104,643,409**	**37,129,643**	**43,459,287**	**5,944,679**	**1,865,583**	**193,042,601**
Deposits and placements of banks and other financial institutions	**3,200,326**	**4,137,173**	**222,248**	**26,800**	**354,723**	**7,941,270**
Obligations on securities sold under repurchase agreements	**2,170,732**	**4,152,319**	**-**	**-**	**-**	**6,323,051**
Bills and acceptances payable	**161,781**	**14,011**	**20,946**	**-**	**-**	**196,738**
Lease liabilities	**6,639**	**13,197**	**56,841**	**225,182**	**283,470**	**585,329**
Other liabilities	**7,251,030**	**560**	**1,372**	**2,523**	**9,615**	**7,265,100**
Derivative financial instruments						
- Gross settled derivatives						
- Inflow	**(24,192,521)**	**(15,842,645)**	**(9,118,349)**	**(2,197,596)**	**(19,443)**	**(51,370,554)**
- Outflow	**24,506,607**	**16,184,071**	**9,364,019**	**2,335,841**	**20,313**	**52,410,851**
- Net settled derivatives	**14,312**	**93,306**	**455,712**	**401,466**	**408,024**	**1,372,820**
Recourse obligation on loans sold to Cagamas	**-**	**13,343**	**50,743**	**1,833,072**	**-**	**1,897,158**
Senior bonds	**-**	**9,578**	**116,846**	**680,490**	**-**	**806,914**
Tier 2 subordinated bonds	**-**	**-**	**101,821**	**2,186,835**	**650,845**	**2,939,501**
Multi-currency Additional Tier 1 Capital Securities	**-**	**8,570**	**967,280**	**843,472**	**-**	**1,819,322**
Total financial liabilities	**117,762,315**	**45,913,126**	**45,698,766**	**12,282,764**	**3,573,130**	**225,230,101**

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The following table shows the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturities. The balances in the table below will not agree to the balances reported in the statements of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest payments. The contractual maturity profile does not necessarily reflect the behavioural cash flows. (continued)

	The Bank 2025					
	Up to 1 month RM'000	1 to 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Financial liabilities						
Deposits from customers	97,553,453	37,332,596	41,824,629	4,252,544	1,898,399	182,861,621
Deposits and placements of banks and other financial institutions	2,269,505	6,557,476	188,742	1,178,541	340,659	10,534,923
Obligations on securities sold under repurchase agreements	2,518,050	4,024,463	-	-	-	6,542,513
Bills and acceptances payable	101,649	20,233	42,054	-	-	163,936
Lease liabilities	6,526	13,034	54,620	101,209	26,623	202,012
Other liabilities	6,500,363	434	1,215	384	8,481	6,510,877
Derivative financial instruments						
- Gross settled derivatives						
- Inflow	(29,714,830)	(13,849,985)	(12,189,258)	(2,241,783)	(86,080)	(58,081,936)
- Outflow	30,029,688	14,117,489	12,485,718	2,331,998	92,571	59,057,464
- Net settled derivatives	15,887	79,809	362,877	705,299	494,118	1,657,990
Recourse obligation on loans sold to Cagamas	-	8,069	745,037	846,962	-	1,600,068
Senior bonds	-	9,578	13,492	668,682	-	691,752
Tier 2 subordinated bonds	-	-	76,427	1,800,101	350,094	2,226,622
Multi-currency Additional Tier 1 Capital Securities	-	8,570	67,280	1,819,322	-	1,895,172
Total financial liabilities	109,280,291	48,321,766	43,672,833	11,463,259	3,124,865	215,863,014

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (continued)

The following table presents the contractual expiry by maturity of the Group's and Bank's commitments and contingencies:

	Less than 1 year RM'000	Over 1 year RM'000	Total RM'000
The Group			
2026			
Direct credit substitutes	**184,885**	**43,350**	**228,235**
Certain transaction related contingent items	**2,406,608**	**1,808,815**	**4,215,423**
Short-term self liquidating trade related contingencies	**1,667,812**	**5,014**	**1,672,826**
Irrevocable commitments to extend credit	**28,609,026**	**21,461,549**	**50,070,575**
Unutilised credit card lines	**8,751,788**	**-**	**8,751,788**
Total commitments and contingencies	**41,620,119**	**23,318,728**	**64,938,847**
2025			
Direct credit substitutes	160,459	50,150	210,609
Certain transaction related contingent items	2,109,665	1,302,118	3,411,783
Short-term self liquidating trade related contingencies	1,253,186	11,032	1,264,218
Irrevocable commitments to extend credit	26,446,492	19,529,325	45,975,817
Unutilised credit card lines	7,810,930	-	7,810,930
Total commitments and contingencies	37,780,732	20,892,625	58,673,357
The Bank			
2026			
Direct credit substitutes	**168,127**	**43,350**	**211,477**
Certain transaction related contingent items	**1,857,376**	**1,272,669**	**3,130,045**
Short-term self liquidating trade related contingencies	**1,370,014**	**5,014**	**1,375,028**
Irrevocable commitments to extend credit	**21,715,134**	**15,941,932**	**37,657,066**
Unutilised credit card lines	**8,751,788**	**-**	**8,751,788**
Total commitments and contingencies	**33,862,439**	**17,262,965**	**51,125,404**
2025			
Direct credit substitutes	143,625	50,150	193,775
Certain transaction related contingent items	1,525,008	982,027	2,507,035
Short-term self liquidating trade related contingencies	1,095,138	5,639	1,100,777
Irrevocable commitments to extend credit	21,013,150	14,426,386	35,439,536
Unutilised credit card lines	7,810,930	-	7,810,930
Total commitments and contingencies	31,587,851	15,464,202	47,052,053

Undrawn loan commitments are recognised at activation stage and include commitments which are unconditionally cancellable by the Group and the Bank. The Group and the Bank expect that not all of the contingent liabilities and undrawn loan commitments will be drawn before expiry.

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk

(i) Maximum exposure to credit risk

The maximum exposure to credit risk for financial assets recognised in the statements of financial position is their carrying amounts. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Group and the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers. The table below shows the maximum exposure to credit risk for the Group and the Bank on financial instruments subject to impairment:

	The Group	
	2026 RM'000	**2025 RM'000**
Credit risk exposure relating to on-balance sheet assets:		
Short-term funds and placements with banks and other financial institutions (exclude cash in hand)	**9,271,854**	11,820,408
Securities purchased under resale agreements	**1,208,959**	479,048
Financial assets and investments portfolios (exclude shares):		
- Financial investments at FVOCI	**36,801,035**	37,166,143
- Financial investments at amortised cost	**25,061,022**	26,704,377
Loans, advances and financing	**225,265,167**	208,964,590
Other assets	**3,117,441**	2,891,653
Credit risk exposure relating to off-balance sheet items:		
Credit related commitments and contingencies	**64,938,847**	58,673,357
Total maximum credit risk exposure that are subject to impairment	**365,664,325**	346,699,576

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(i) Maximum exposure to credit risk (continued)

	The Bank	
	2026 RM'000	2025 RM'000
Credit risk exposure relating to on-balance sheet assets:		
Short-term funds and placements with banks and other financial institutions (exclude cash in hand)	**7,795,465**	10,206,045
Financial assets and investments portfolios (exclude shares):		
- Financial investments at FVOCI	**29,906,664**	28,857,794
- Financial investments at amortised cost	**20,346,335**	20,946,139
Loans, advances and financing	**167,799,111**	156,031,286
Other assets	**3,075,596**	2,847,010
Amount due from subsidiaries	**28,757**	319,859
Credit risk exposure relating to off-balance sheet items:		
Credit related commitments and contingencies	**51,125,404**	47,052,053
Total maximum credit risk exposure that are subject to impairment	**280,077,332**	266,260,186

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

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Financial assets at FVTPL (exclude shares and wholesale funds)	**5,221,214**	4,959,262	**3,784,563**	3,882,374
Derivative assets	**2,216,954**	2,258,499	**2,140,687**	2,182,189
	7,438,168	7,217,761	**5,925,250**	6,064,563

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(ii) Collaterals

The main types of collateral obtained by the Group and the Bank are as follows:

(a) Fixed deposits, Mudharabah General Investment Account, negotiable instrument of deposits, foreign currency deposits and cash deposits/margins
(b) Land and buildings
(c) Aircrafts, vessels and automobiles
(d) Quoted shares, unit trust, Malaysian Governments Bonds and securities and private debt securities
(e) Endowment life policies with cash surrender value
(f) Other tangible business assets, such as inventory and equipment

The Group and the Bank also accept non-tangible securities such as support, guarantees from individuals, corporates and institutions, bank guarantees, debentures, assignment of contract payments, which are subject to internal guidelines on eligibility.

The outstanding balance for credit impaired loans, advances and financing under individual assessment for which no allowances is recognised because of collateral as at 30 June 2026 amounted to RM 88,778,000 (2025: RM115,282,000) and RM 64,829,000 (2025: RM69,782,000) respectively for the Group and the Bank.

The financial effect of collateral (quantification to the extent to which collateral and other credit enhancements mitigate credit risk) held for loans, advances and financing for the Group and the Bank is 88.46% (2025: 88.00%) and 86.95% (2025: 86.58%) respectively. The financial effects of collateral held for the remaining financial assets are insignificant.

The financial effect of collateral (quantification to the extent to which collateral and other credit enhancements mitigate credit risk) held for net loans, advances and financing that are credit impaired as at 30 June 2026 for the Group and the Bank is 83.09% (2025: 79.32%) and 81.32% (2025: 73.61%) respectively.

(iii) Credit exposure by stage

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

Stages	Description
Stage 1: 12 month ECL - not credit impaired	Stage 1 includes financial assets which have not had a significant increase in credit risk since initial recognition or which have low credit risk at reporting date. 12-month ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.
Stage 2: Lifetime ECL - not credit impaired	Stage 2 includes financial assets which have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but do not have objective evidence of impairment. Lifetime ECL is recognised and interest income is calculated on the gross carrying amount of the financial assets.
Stage 3: Lifetime ECL - credit impaired	Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. Lifetime ECL is recognised and interest income is calculated on the net carrying amount of the financial assets.

For further details on the stages, refer to accounting policy Note 2N.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality

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

Credit quality description is summarised as follows:

Credit Quality	Description
Good	Obligors in this category exhibit strong capacity to meet financial commitments.
Adequate	Obligors in this category have a fairly acceptable capacity to meet financial commitments.
Marginal	Obligors in this category have uncertain capacity to meet financial commitments and are under closer monitoring.
No rating	Obligors which are currently not assigned with credit ratings as it does not satisfy the criteria to be rated based on internal credit rating system.
Credit impaired	Obligors assessed to be impaired.

The credit quality of financial instruments other than loans, advances and financing are determined based on the ratings of counterparties as defined equivalent ratings of other internationals rating agencies as defined below:

Credit Quality	Description
Sovereign	Refer to financial asset issued by federal government or guarantee by federal government.
Investment grade	Refers to the credit quality of the financial asset that the issuer is able to meet payment obligation and exposure bondholder to low credit risk of default.
Non-investment grade	Refers to low credit quality of the financial asset that is highly exposed to default risk.
Un-graded	Refers to financial asset which are currently not assigned with ratings due to unavailability of ratings models.
Credit impaired	Refers to the asset that is being impaired.

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

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

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2026				
Short-term funds and placements with banks and other financial institutions (exclude cash in hand)				
Sovereign	**6,843,119**	**-**	**-**	**6,843,119**
Investment grade	**2,378,578**	**-**	**-**	**2,378,578**
Non-investment grade	**50,309**	**-**	**-**	**50,309**
Gross carrying amount	**9,272,006**	**-**	**-**	**9,272,006**
Expected credit losses	**(152)**	**-**	**-**	**(152)**
Net carrying amount	**9,271,854**	**-**	**-**	**9,271,854**
Securities purchased under resale agreements				
Investment grade	**1,208,959**	**-**	**-**	**1,208,959**
Expected credit losses	**-**	**-**	**-**	**-**
Net carrying amount	**1,208,959**	**-**	**-**	**1,208,959**
Financial investments at FVOCI				
Sovereign	**23,391,153**	**-**	**-**	**23,391,153**
Investment grade	**13,409,882**	**-**	**-**	**13,409,882**
Non-investment grade	**-**	**-**	**-**	**-**
Gross carrying amount	**36,801,035**	**-**	**-**	**36,801,035**
Expected credit losses	**(2,217)**	**-**	**-**	**(2,217)**
Financial investments at amortised cost				
Sovereign	**23,678,613**	**-**	**-**	**23,678,613**
Investment grade	**1,382,409**	**-**	**-**	**1,382,409**
Gross carrying amount	**25,061,022**	**-**	**-**	**25,061,022**
Expected credit losses	**-**	**-**	**-**	**-**
Net carrying amount	**25,061,022**	**-**	**-**	**25,061,022**
Loans, advances and financing				
Good	**184,068,264**	**49,704**	**-**	**184,117,968**
Adequate	**31,365,163**	**508,198**	**-**	**31,873,361**
Marginal	**221**	**6,169,734**	**-**	**6,169,955**
No rating	**2,820,533**	**6,445**	**-**	**2,826,978**
Credit impaired	**-**	**-**	**1,299,299**	**1,299,299**
Gross carrying amount	**218,254,181**	**6,734,081**	**1,299,299**	**226,287,561**
Expected credit losses	**(437,999)**	**(276,553)**	**(318,911)**	**(1,033,463)**
Others*	**11,069**	**-**	**-**	**11,069**
Net carrying amount	**217,827,251**	**6,457,528**	**980,388**	**225,265,167**

* Included fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

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

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Short-term funds and placements with banks and other financial institutions (exclude cash in hand)				
Sovereign	6,666,352	-	-	6,666,352
Investment grade	5,066,447	-	-	5,066,447
Non-investment grade	87,893	-	-	87,893
Gross carrying amount	11,820,692	-	-	11,820,692
Expected credit losses	(284)	-	-	(284)
Net carrying amount	11,820,408	-	-	11,820,408
Securities purchased under resale agreements				
Investment grade	479,048	-	-	479,048
Expected credit losses	-	-	-	-
Net carrying amount	479,048	-	-	479,048
Financial investments at FVOCI				
Sovereign	22,596,768	-	-	22,596,768
Investment grade	14,569,375	-	-	14,569,375
Non-investment grade	-	-	-	-
Gross carrying amount	37,166,143	-	-	37,166,143
Expected credit losses	(2,444)	-	-	(2,444)
Financial investments at amortised cost				
Sovereign	25,539,503	-	-	25,539,503
Investment grade	1,164,877	-	-	1,164,877
Gross carrying amount	26,704,380	-	-	26,704,380
Expected credit losses	(3)	-	-	(3)
Net carrying amount	26,704,377	-	-	26,704,377
Loans, advances and financing				
Good	171,197,534	53,164	-	171,250,698
Adequate	28,285,968	480,585	-	28,766,553
Marginal	-	5,989,340	-	5,989,340
No rating	2,909,668	3,249	-	2,912,917
Credit impaired	-	-	1,144,249	1,144,249
Gross carrying amount	202,393,170	6,526,338	1,144,249	210,063,757
Expected credit losses	(453,720)	(332,375)	(321,890)	(1,107,985)
Others*	8,818	-	-	8,818
Net carrying amount	201,948,268	6,193,963	822,359	208,964,590

* Included fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges.

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

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

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2026				
Short-term funds and placements with banks and other financial institutions (exclude cash in hand)				
Sovereign	**5,874,599**	**-**	**-**	**5,874,599**
Investment grade	**1,631,705**	**-**	**-**	**1,631,705**
Non-investment grade	**289,998**	**-**	**-**	**289,998**
Gross carrying amount	**7,796,302**	**-**	**-**	**7,796,302**
Expected credit losses	**(837)**	**-**	**-**	**(837)**
Net carrying amount	**7,795,465**	**-**	**-**	**7,795,465**
Financial investments at FVOCI				
Sovereign	**17,731,425**	**-**	**-**	**17,731,425**
Investment grade	**12,175,239**	**-**	**-**	**12,175,239**
Non-investment grade	**-**	**-**	**-**	**-**
Gross carrying amount	**29,906,664**	**-**	**-**	**29,906,664**
Expected credit losses	**(2,162)**	**-**	**-**	**(2,162)**
Financial investments at amortised cost				
Sovereign	**19,398,329**	**-**	**-**	**19,398,329**
Investment grade	**948,006**	**-**	**-**	**948,006**
Gross carrying amount	**20,346,335**	**-**	**-**	**20,346,335**
Expected credit losses	**-**	**-**	**-**	**-**
Net carrying amount	**20,346,335**	**-**	**-**	**20,346,335**
Loans, advances and financing				
Good	**138,895,770**	**453**	**-**	**138,896,223**
Adequate	**21,659,263**	**381,194**	**-**	**22,040,457**
Marginal	**221**	**3,913,716**	**-**	**3,913,937**
No rating	**2,810,055**	**6,445**	**-**	**2,816,500**
Credit impaired	**-**	**-**	**795,033**	**795,033**
Gross carrying amount	**163,365,309**	**4,301,808**	**795,033**	**168,462,150**
Expected credit losses	**(320,397)**	**(175,123)**	**(178,605)**	**(674,125)**
Others*	**11,086**	**-**	**-**	**11,086**
Net carrying amount	**163,055,998**	**4,126,685**	**616,428**	**167,799,111**

* Included fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

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

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Short-term funds and placements with banks and other financial institutions (exclude cash in hand)				
Sovereign	5,754,280	-	-	5,754,280
Investment grade	4,375,910	-	-	4,375,910
Non-investment grade	76,173	-	-	76,173
Gross carrying amount	10,206,363	-	-	10,206,363
Expected credit losses	(318)	-	-	(318)
Net carrying amount	10,206,045	-	-	10,206,045
Financial investments at FVOCI				
Sovereign	16,772,144	-	-	16,772,144
Investment grade	12,085,650	-	-	12,085,650
Non-investment grade	-	-	-	-
Gross carrying amount	28,857,794	-	-	28,857,794
Expected credit losses	(2,379)	-	-	(2,379)
Financial investments at amortised cost				
Sovereign	20,383,265	-	-	20,383,265
Investment grade	562,874	-	-	562,874
Gross carrying amount	20,946,139	-	-	20,946,139
Expected credit losses	-	-	-	-
Net carrying amount	20,946,139	-	-	20,946,139
Loans, advances and financing				
Good	129,336,570	2,556	-	129,339,126
Adequate	19,616,882	363,083	-	19,979,965
Marginal	-	3,806,872	-	3,806,872
No rating	2,909,640	2,755	-	2,912,395
Credit impaired	-	-	734,554	734,554
Gross carrying amount	151,863,092	4,175,266	734,554	156,772,912
Expected credit losses	(334,448)	(207,545)	(209,262)	(751,255)
Others*	9,629	-	-	9,629
Net carrying amount	151,538,273	3,967,721	525,292	156,031,286

* Included fair value changes arising from fair value hedges and unamortised fair value changes arising from terminated fair value hedges.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by industry in respect of the Group's and the Bank's financial assets are set out below:

	The Group 2026										
	Short-term funds and placements with banks and other financial institutions RM'000	Securities purchased under resale agreements RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at amortised cost RM'000	Loans, advances and financing RM'000	Other assets RM'000	Derivative assets RM'000	Total credit risk exposures RM'000	Undrawn loan commitments and other facilities RM'000	Guarantees, endorsements and other contingent items RM'000
Agriculture	-	-	10,182	176,723	-	2,895,817	-	-	3,082,722	1,051,363	23,638
Mining and quarrying	-	-	33,516	791,082	-	137,794	-	-	962,392	82,007	6,834
Manufacturing	-	-	-	-	-	17,058,107	-	-	17,058,107	10,113,107	846,712
Electricity, gas and water	-	-	341,665	1,755,782	15,640	1,217,028	-	-	3,330,115	597,844	134,506
Construction	-	-	133,628	504,079	295,043	9,488,350	-	-	10,421,100	5,941,089	2,398,998
Wholesale and retail	-	-	-	-	-	20,459,151	-	-	20,459,151	9,108,279	1,581,488
Transport, storage and communications	-	-	-	262,488	-	6,667,407	-	-	6,929,895	536,644	123,924
Finance, insurance, real estate and business services	2,428,735	1,208,959	238,779	13,870,959	3,848,925	25,094,011	3,112,054	2,216,954	52,019,376	5,360,221	865,455
Government and government agencies	6,843,119	-	4,463,444	19,439,922	20,901,414	-	5,387	-	51,653,286	-	87,411
Education, health and others	-	-	-	-	-	1,215,047	-	-	1,215,047	592,454	20,434
Household	-	-	-	-	-	140,932,932	-	-	140,932,932	25,417,756	2,529
Others	-	-	-	-	-	99,523	-	-	99,523	21,599	24,555
	9,271,854	1,208,959	5,221,214	36,801,035	25,061,022	225,265,167	3,117,441	2,216,954	308,163,646	58,822,363	6,116,484

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by industry in respect of the Group's and the Bank's financial assets are set out below: (continued)

	The Group 2025										
	Short-term funds and placements with banks and other financial institutions RM'000	Securities purchased under resale agreements RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at amortised cost RM'000	Loans, advances and financing RM'000	Other assets RM'000	Derivative assets RM'000	Total credit risk exposures RM'000	Undrawn loan commitments and other facilities RM'000	Guarantees, endorsements and other contingent items RM'000
Agriculture	-	-	40,749	146,864	-	2,769,566	-	-	2,957,179	1,031,681	18,534
Mining and quarrying	-	-	-	-	-	130,332	-	-	130,332	224,491	6,916
Manufacturing	-	-	5,285	-	-	16,479,732	-	-	16,485,017	15,016,348	729,044
Electricity, gas and water	-	-	188,256	2,412,158	-	1,185,770	-	-	3,786,184	66,547	103,606
Construction	-	-	10,764	531,607	26,360	7,472,060	-	-	8,040,791	2,689,397	1,967,236
Wholesale and retail	-	-	-	32,421	-	18,904,167	-	-	18,936,588	2,608,323	1,219,014
Transport, storage and communications	-	-	-	222,559	-	6,921,497	-	-	7,144,056	1,631,471	90,054
Finance, insurance, real estate and business services	5,154,056	479,048	1,551,944	16,251,187	1,975,750	22,235,081	2,879,128	2,258,499	52,784,693	4,105,308	644,836
Government and government agencies	6,666,352	-	3,162,264	17,569,347	24,702,267	-	12,525	-	52,112,755	-	85,106
Education, health and others	-	-	-	-	-	1,331,854	-	-	1,331,854	694,933	19,118
Household	-	-	-	-	-	131,487,212	-	-	131,487,212	25,717,796	3,146
Others	-	-	-	-	-	47,319	-	-	47,319	452	-
	11,820,408	479,048	4,959,262	37,166,143	26,704,377	208,964,590	2,891,653	2,258,499	295,243,980	53,786,747	4,886,610

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by industry in respect of the Group's and the Bank's financial assets are set out below: (continued)

	The Bank 2026											
	Short-term funds and placements with banks and other financial institutions RM'000	Securities purchased under resale agreements RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at amortised cost RM'000	Loans, advances and financing RM'000	Other assets RM'000	Amount due from subsidiaries RM'000	Derivative assets RM'000	Total credit risk exposures RM'000	Undrawn loan commitments and other facilities RM'000	Guarantees, endorsements and other contingent items RM'000
Agriculture	-	-	10,182	156,526	-	1,555,675	-	-	-	1,722,383	788,806	22,537
Mining and quarrying	-	-	33,516	791,082	-	101,794	-	-	-	926,392	63,154	5,934
Manufacturing	-	-	-	-	-	11,773,738	-	-	-	11,773,738	7,562,676	755,161
Electricity, gas and water	-	-	26,235	1,255,517	-	706,810	-	-	-	1,988,562	300,455	97,925
Construction	-	-	252	274,446	127,550	7,117,704	-	-	-	7,519,952	4,484,126	1,609,079
Wholesale and retail	-	-	-	-	-	15,332,302	-	-	-	15,332,302	6,750,837	1,263,824
Transport, storage and communications	-	-	-	242,031	-	5,914,870	-	-	-	6,156,901	421,424	119,944
Finance, insurance, real estate and business services	1,920,866	-	101,727	12,887,848	2,233,930	19,533,756	3,070,311	28,757	2,140,687	41,917,882	4,122,565	736,298
Government and government agencies	5,874,599	-	3,612,651	14,299,214	17,984,855	-	5,285	-	-	41,776,604	-	74,207
Education, health and others	-	-	-	-	-	727,701	-	-	-	727,701	288,426	4,557
Household	-	-	-	-	-	104,938,436	-	-	-	104,938,436	21,626,385	2,529
Others	-	-	-	-	-	96,325	-	-	-	96,325	-	24,555
	7,795,465	-	3,784,563	29,906,664	20,346,335	167,799,111	3,075,596	28,757	2,140,687	234,877,178	46,408,854	4,716,550

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(iv) Credit quality (continued)

Credit risk exposure analysed by industry in respect of the Group's and the Bank's financial assets are set out below: (continued)

	The Bank 2025											
	Short-term funds and placements with banks and other financial institutions RM'000	Securities purchased under resale agreements RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at amortised cost RM'000	Loans, advances and financing RM'000	Other assets RM'000	Amount due from subsidiaries RM'000	Derivative assets RM'000	Total credit risk exposures RM'000	Undrawn loan commitments and other facilities RM'000	Guarantees, endorsements and other contingent items RM'000
Agriculture	-	-	-	126,607	-	1,185,685	-	-	-	1,312,292	798,644	16,703
Mining and quarrying	-	-	-	-	-	92,387	-	-	-	92,387	186,861	6,916
Manufacturing	-	-	5,285	-	-	11,789,008	-	-	-	11,794,293	10,982,467	665,284
Electricity, gas and water	-	-	55,950	2,146,519	-	699,027	-	-	-	2,901,496	41,154	16,846
Construction	-	-	10,764	378,037	26,360	5,368,522	-	-	-	5,783,683	2,147,110	1,378,396
Wholesale and retail	-	-	-	32,421	-	13,988,109	-	-	-	14,020,530	1,887,413	981,881
Transport, storage and communications	-	-	-	206,176	-	6,265,636	-	-	-	6,471,812	1,489,419	86,826
Finance, insurance, real estate and business services	4,451,765	-	1,159,385	13,743,479	1,362,724	17,489,227	2,834,522	319,859	2,182,189	43,543,150	3,841,112	571,286
Government and government agencies	5,754,280	-	2,650,990	12,224,555	19,557,055	-	12,488	-	-	40,199,368	-	70,857
Education, health and others	-	-	-	-	-	827,656	-	-	-	827,656	674,920	3,446
Household	-	-	-	-	-	98,280,414	-	-	-	98,280,414	21,201,366	3,146
Others	-	-	-	-	-	45,615	-	-	-	45,615	-	-
	10,206,045	-	3,882,374	28,857,794	20,946,139	156,031,286	2,847,010	319,859	2,182,189	225,272,696	43,250,466	3,801,587

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(v) Repossessed collaterals

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Industrial and residential properties, lands and automobiles	**604,740**	499,411	**385,448**	343,667

Repossessed collaterals are made available-for-sale in an orderly fashion, with the proceeds used to reduce or repay the outstanding indebtedness. The Group and the Bank generally do not utilise the repossessed collaterals for its business use.

(vi) Write-off policy

The Group and the Bank write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's and the Bank's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

A write-off constitutes a derecognition event. The Group and the Bank may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's and the Bank's enforcement activities will be written back as bad debts recovered in the statements of income.

The contractual amount outstanding on loans, advances and financing and securities portfolio that were written off during the financial year ended, and are still subject to enforcement activities was RM321.6 million (2025: RM349.2 million) for the Group and RM210.2 million (2025: RM217.9 million) for the Bank.

(vii) Modification of contractual cash flows

Where the original contractual terms of a financial asset have been modified for credit reasons and the instrument has not been derecognised, the resulting modification loss is recognised in the statements of income with a corresponding decrease in the gross carrying value of the asset. If the modification involved a concession that the Group and the Bank would not otherwise consider, the instrument is considered to be credit impaired and is considered forborne.

ECL for modified financial assets that have not been derecognised and are not considered to be credit-impaired will be recognised on a 12-month basis, or a lifetime basis, if there is a significant increase in credit risk. These assets are assessed to determine whether there has been a significant increase in credit risk subsequent to the modification.

Although loans and financing may be modified for non-credit reasons, a significant increase in credit risk may occur. The Group and the Bank may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from stage 3 or stage 2 to stage 1. This is only the case for assets which have been monitored for consecutive six months observation period or more.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(viii) Sensitivity analysis

The Group and the Bank have performed ECL sensitivity assessment on loans, advances and financing based on the changes in key macroeconomic variables, such as private consumption, house price index, banking system credit and gross domestic product while all other variables remain unchanged. The sensitivity factors used are assumptions based on parallel shifts in the key variables to project the impact on the ECL of the Group and the Bank.

The table below outlines the effect of ECL on the changes in key variables used while other variables remain constant:

(a) Retail

	Changes	
	2026	**2025**
Private consumption	**+/- 100 bps**	+/- 100 bps
House price index	**+/- 100 bps**	+/- 100 bps

	The Group		The Bank	
	2026 RM'000	**2025 RM'000**	**2026 RM'000**	**2025 RM'000**
Total decrease in ECL on the positive changes in key variables	**(3,504)**	(3,503)	**(2,784)**	(2,783)
Total increase in ECL on the negative changes in key variables	**3,516**	3,514	**2,782**	2,780

48 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Credit risk (continued)

(viii) Sensitivity analysis (continued)

The table below outlines the effect of ECL on the changes in key variables used while other variables remain constant: (continued)

(b) Non-retail

	Changes 2026/2025
Banking system credit	+/- 100 bps
Gross domestic product	+/- 100 bps

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Total decrease in ECL on the positive changes in key variables	**462**	(962)	**844**	(581)
Total increase in ECL on the negative changes in key variables	**2,813**	1,392	**2,422**	1,001

(ix) Overlay adjustment for expected credit losses

As the current MFRS 9 models are not expected to generate levels of ECL with sufficient reliability, ECL overlay adjustment has been applied to determine a sufficient overall level of ECL of loans, advances and financing.

During the financial year, the Group and the Bank maintained a management overlay adjustment to buffer against potential volatilities in the domestic economic outlook. This cautious posture accounts for ongoing uncertainties in the global macroeconomic landscape, particularly the tail risk from the Hormuz disruptions, which may continue to transmit supply chain frictions and inflationary pressures into the local economy.

The overlay adjustment involves significant level of judgement and reflects management's views on the adjusted downside scenario considering the current economic environment, which includes geopolitical risks and topical factors.

As at 30 June 2026, the impact of the overlay adjustment continues to remain outside the MFRS 9 ECL Model. The ECL overlay adjustment amounted to RM175.2 million (2025: RM175.2 million) and RM128.1 million (2025: RM128.1 million) at the Group and the Bank respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

49 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The information presented herein represents the estimates of fair values as at the statements of financial position date.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

(a) Determination of fair value and fair value hierarchy

The Group and the Bank measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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 one or more significant inputs are not based on observable market data.

Valuation techniques

Financial instruments are classified as Level 1 if their value is 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. These would include actively traded listed equities and actively exchange-traded derivatives.

Where fair value is determined using unquoted market prices in less active markets or quoted prices for similar assets and liabilities, such instruments are generally classified as Level 2. In cases where quoted prices are generally not available, the Group and the Bank then determine fair value based upon valuation techniques such as discounted cash flow that uses inputs such as market parameters including but not limited to yield curves, volatilities and foreign exchange rates. The majority of valuation techniques employ only observable market data and so reliability of the fair value measurement is high. These would include certain corporate bonds, government bonds 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). Such inputs are generally determined based on observable inputs of a similar nature, historical observations on the level of the input or other analytical techniques. This category includes unquoted shares held for socio-economic reasons. Fair value for shares held for socio-economic reasons are based on the net tangible assets of the affected companies.

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Determination of fair value and fair value hierarchy (continued)

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy:

	The Group 2026 Fair Value			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial Assets				
Financial assets at FVTPL				
- Money market instrument	-	4,463,444	-	4,463,444
- Quoted securities	1,797,561	-	-	1,797,561
- Unquoted securities	-	648,885	421,673	1,070,558
Financial investments at FVOCI				
- Money market instrument	-	23,704,249	-	23,704,249
- Quoted securities	3,407,103	-	-	3,407,103
- Unquoted securities	-	9,884,619	193,896	10,078,515
Derivative financial instruments	504	2,076,975	139,475	2,216,954
	5,205,168	40,778,172	755,044	46,738,384
Financial Liabilities				
Derivative financial instruments	7,858	2,176,009	140,537	2,324,404
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	10,798,653	-	10,798,653
	7,858	12,974,662	140,537	13,123,057

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year (2025: RM Nil).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Determination of fair value and fair value hierarchy (continued)

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy: (continued)

	The Group 2025 Fair Value			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial Assets				
Financial assets at FVTPL				
- Money market instrument	-	4,009,294	-	4,009,294
- Quoted securities	2,902,076	-	-	2,902,076
- Unquoted securities	-	679,048	400,379	1,079,427
Financial investments at FVOCI				
- Money market instrument	-	22,616,106	-	22,616,106
- Quoted securities	4,621,217	-	-	4,621,217
- Unquoted securities	-	9,928,820	162,181	10,091,001
Derivative financial instruments	4,545	2,139,635	114,319	2,258,499
	7,527,838	39,372,903	676,879	47,577,620
Financial Liabilities				
Derivative financial instruments	12,955	2,550,470	86,456	2,649,881
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	7,667,087	-	7,667,087
	12,955	10,217,557	86,456	10,316,968

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Determination of fair value and fair value hierarchy (continued)

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy: (continued)

	The Bank 2026 Fair Value			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial Assets				
Financial assets at FVTPL				
- Money market instrument	**-**	**3,612,651**	**-**	**3,612,651**
- Quoted securities	**1,797,368**	**-**	**-**	**1,797,368**
- Unquoted securities	**-**	**63,220**	**421,673**	**484,893**
Financial investments at FVOCI				
- Money market instrument	**-**	**17,978,206**	**-**	**17,978,206**
- Quoted securities	**3,407,103**	**-**	**-**	**3,407,103**
- Unquoted securities	**-**	**8,716,291**	**193,896**	**8,910,187**
Derivative financial instruments	**504**	**2,000,768**	**139,415**	**2,140,687**
	5,204,975	**32,371,136**	**754,984**	**38,331,095**
Financial Liabilities				
Derivative financial instruments	**7,858**	**1,913,339**	**140,487**	**2,061,684**
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	**-**	**3,439,228**	**-**	**3,439,228**
	7,858	**5,352,567**	**140,487**	**5,500,912**

The Bank recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year (2025: RM Nil).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Determination of fair value and fair value hierarchy (continued)

The table below analyses financial instruments carried at fair value analysed by level within the fair value hierarchy: (continued)

	The Bank 2025 Fair Value			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Recurring fair value measurements				
Financial Assets				
Financial assets at FVTPL				
- Money market instrument	-	3,498,020	-	3,498,020
- Quoted securities	2,901,368	-	-	2,901,368
- Unquoted securities	-	114,142	400,379	514,521
Financial investments at FVOCI				
- Money market instrument	-	15,193,607	-	15,193,607
- Quoted securities	4,621,217	-	-	4,621,217
- Unquoted securities	-	9,042,970	162,181	9,205,151
Derivative financial instruments	4,545	2,063,369	114,275	2,182,189
	7,527,130	29,912,108	676,835	38,116,073
Financial Liabilities				
Derivative financial instruments	12,955	2,383,753	86,412	2,483,120
Financial liabilities designated at fair value				
- Structured deposits linked to interest rate derivatives	-	3,001,944	-	3,001,944
	12,955	5,385,697	86,412	5,485,064

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Determination of fair value and fair value hierarchy (continued)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy, is as below:

The Group	Financial Assets			Financial Liability
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Derivative financial instruments RM'000	Derivative financial instruments RM'000
2026				
At 1 July	**400,379**	**162,181**	**114,319**	**86,456**
Fair value changes recognised in statements of income	**21,294**	**-**	**61,800**	**61,800**
Net fair value changes recognised in other comprehensive income	**-**	**23,213**	**-**	**-**
Purchases/reclassification	**-**	**8,502**	**62,256**	**50,201**
Settlements	**-**	**-**	**(98,900)**	**(57,920)**
At 30 June	**421,673**	**193,896**	**139,475**	**140,537**
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2026	**21,294**	**-**	**61,800**	**61,800**
Total gain recognised in other comprehensive income relating to assets held on 30 June 2026	**-**	**23,213**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Determination of fair value and fair value hierarchy (continued)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy, is as below: (continued)

	Financial Assets			Financial Liability
The Group	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Derivative financial instruments RM'000	Derivative financial instruments RM'000
2025				
At 1 July	384,329	116,797	74,763	81,155
Fair value changes recognised in statements of income	16,050	-	32,468	32,468
Net fair value changes recognised in other comprehensive income	-	27,884	-	-
Purchases/reclassification	-	17,500	44,969	18,343
Settlements	-	-	(37,881)	(45,510)
At 30 June	400,379	162,181	114,319	86,456
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2025	16,050	-	32,468	32,468
Total gain recognised in other comprehensive income relating to assets held on 30 June 2025	-	27,884	-	-

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Determination of fair value and fair value hierarchy (continued)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy, is as below: (continued)

The Bank	Financial Assets			Financial Liability
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Derivative financial instruments RM'000	Derivative financial instruments RM'000
2026				
At 1 July	**400,379**	**162,181**	**114,275**	**86,412**
Fair value changes recognised in statements of income	**21,294**	**-**	**61,750**	**61,750**
Net fair value changes recognised in other comprehensive income	**-**	**23,213**	**-**	**-**
Purchases/reclassification	**-**	**8,502**	**62,256**	**50,200**
Settlements	**-**	**-**	**(98,866)**	**(57,875)**
At 30 June	**421,673**	**193,896**	**139,415**	**140,487**
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2026	**21,294**	**-**	**61,750**	**61,750**
Total gain recognised in other comprehensive income relating to assets held on 30 June 2026	**-**	**23,213**	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Determination of fair value and fair value hierarchy (continued)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy, is as below: (continued)

	Financial Assets			Financial Liability
The Bank	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Derivative financial instruments RM'000	Derivative financial instruments RM'000
2025				
At 1 July	384,329	116,797	74,693	81,084
Fair value changes recognised in statements of income	16,050	-	32,468	32,468
Net fair value changes recognised in other comprehensive income	-	27,884	-	-
Purchases/reclassification	-	17,500	44,969	18,343
Settlements	-	-	(37,855)	(45,483)
At 30 June	400,379	162,181	114,275	86,412
Fair value changes recognised in statements of income relating to assets/liability held on 30 June 2025	16,050	-	32,468	32,468
Total gain recognised in other comprehensive income relating to assets held on 30 June 2025	-	27,884	-	-

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Determination of fair value and fair value hierarchy (continued)

Quantitative information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value		Valuation technique(s)	Unobservable input	Range (weighted average)	Inter-relationship between significant unobservable inputs and fair value measurement
	The Group RM'000	The Bank RM'000				
2026						
Assets						
Financial assets at FVTPL						
Unquoted shares	**421,673**	**421,673**	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value
Financial investments at FVOCI						
Unquoted shares	**193,896**	**193,896**	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value
Derivative financial instruments						
Equity derivatives	**139,475**	**139,415**	Monte Carlo Simulation	Equity volatility	1% to 173%	Higher volatility, would generally result in higher fair valuation for long volatility positions and vice versa
Liability						
Derivative financial instruments						
Equity derivatives	**(140,537)**	**(140,487)**	Monte Carlo Simulation	Equity / FX Correlation between underliers	-50% to 95%	An increase in correlation, would generally result in a higher fair value measurement and vice versa
2025						
Assets						
Financial assets at FVTPL						
Unquoted shares	400,379	400,379	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value
Financial investments at FVOCI						
Unquoted shares	162,181	162,181	Net tangible assets	Net tangible assets	Not applicable	Higher net tangible assets results in higher fair value
Derivative financial instruments						
Equity derivatives	114,319	114,275	Monte Carlo Simulation	Equity volatility	2% to 69%	Higher volatility, would generally result in higher fair valuation for long volatility positions and vice versa
Liability						
Derivative financial instruments						
Equity derivatives	(86,456)	(86,412)	Monte Carlo Simulation	Equity / FX Correlation between underliers	-35% to 95%	An increase in correlation, would generally result in a higher fair value measurement and vice versa

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Determination of fair value and fair value hierarchy (continued)

Sensitivity analysis for Level 3

The Group and the Bank	Type of unobservable input	Sensitivity of significant unobservable input	Effect of reasonably possible alternative assumptions to: Statements of income Favourable/(Unfavourable) changes RM'000
2026			
Financial assets			
Derivative financial instruments			
- Equity derivatives	Equity volatility	**+10%**	**474**
		-10%	**(368)**
	Equity / FX	**+10%**	**370**
	Correlation	**-10%**	**(321)**
	Total*		**155**
Financial liabilities			
Derivative financial instruments			
- Equity derivatives	Equity volatility	**+10%**	**(474)**
		-10%	**368**
	Equity / FX	**+10%**	**(370)**
	Correlation	**-10%**	**321**
	Total*		**(155)**

* No or insignificant impact to the Group and the Bank. All equity link derivatives with unobservable inputs are hedged back-to-back with external parties.

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Determination of fair value and fair value hierarchy (continued)

Sensitivity analysis for Level 3 (continued)

The Group and the Bank	Type of unobservable input	Sensitivity of significant unobservable input	Effect of reasonably possible alternative assumptions to: Statements of income Favourable/(Unfavourable) changes RM'000
2025			
Financial assets			
Derivative financial instruments			
- Equity derivatives	Equity volatility	+10%	1,401
		-10%	(1,188)
	Equity / FX	+10%	(1,564)
	Correlation	-10%	(435)
	Total*		(1,786)
Financial liabilities			
Derivative financial instruments			
- Equity derivatives	Equity volatility	+10%	(1,401)
		-10%	1,188
	Equity / FX	+10%	1,564
	Correlation	-10%	435
	Total*		1,786

* No or insignificant impact to the Group and the Bank. All equity link derivatives with unobservable inputs are hedged back-to-back with external parties.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair values of financial instruments not carried at fair value

Set out below is the comparison of the carrying amounts and fair values of the financial instruments of the Group and the Bank which are not carried at fair value in the financial instruments, but for which fair value is disclosed. It does not include those short term/on demand financial assets and financial liabilities where the carrying amounts are reasonable approximation of their fair values:

	2026		2025	
	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
The Group				
Financial Assets				
Financial investments at amortised cost				
- Money market	**22,252,351**	**22,998,548**	25,817,343	26,811,565
- Unquoted securities	**2,808,671**	**2,861,148**	887,034	914,261
Loans, advances and financing	**225,265,167**	**226,741,837**	208,964,590	210,415,396
	250,326,189	**252,601,533**	235,668,967	238,141,222
Financial Liabilities				
Deposits from customers				
- At amortised cost	**241,265,730**	**242,236,694**	231,258,918	232,105,762
Unrestricted investment accounts	**2,673,444**	**2,675,172**	2,268,351	2,269,469
Recourse obligation on loans sold to Cagamas	**2,062,377**	**2,060,257**	2,512,996	2,517,664
Senior debts	**926,032**	**933,630**	806,413	810,115
Tier 2 subordinated bonds	**2,540,554**	**2,560,625**	1,901,515	1,908,289
Multi-currency Additional Tier 1 capital securities	**1,714,867**	**1,731,787**	1,714,861	1,738,882
	251,183,004	**252,198,165**	240,463,054	241,350,181
The Bank				
Financial Assets				
Financial investments at amortised cost				
- Money market	**18,932,860**	**19,553,658**	20,119,929	20,891,500
- Unquoted securities	**1,413,475**	**1,446,736**	826,210	851,767
Loans, advances and financing	**167,799,111**	**168,586,430**	156,031,286	156,857,686
	188,145,446	**189,586,824**	176,977,425	178,600,953
Financial Liabilities				
Deposits from customers				
- At amortised cost	**185,377,916**	**185,911,381**	176,110,286	176,675,135
Recourse obligation on loans sold to Cagamas	**1,759,599**	**1,758,349**	1,508,444	1,510,084
Senior debts	**724,881**	**732,037**	605,097	607,618
Tier 2 subordinated bonds	**2,540,554**	**2,560,625**	1,901,515	1,908,289
Multi-currency Additional Tier 1 capital securities	**1,714,867**	**1,731,787**	1,714,861	1,738,882
	192,117,817	**192,694,179**	181,840,203	182,440,008

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair values of financial instruments not carried at fair value (continued)

The following table analyses within the fair value hierarchy of the Group's and the Bank's assets and liabilities not measured at fair value at 30 June 2026 but for which fair value is disclosed:

	2026			
	Carrying Amount RM'000	Fair Value		
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
The Group				
Financial Assets				
Financial investments at amortised cost				
- Money market	**22,252,351**	**-**	**22,998,548**	**-**
- Unquoted securities	**2,808,671**	**-**	**2,861,148**	**-**
Loans, advances and financing	**225,265,167**	**-**	**226,741,837**	**-**
	250,326,189	**-**	**252,601,533**	**-**
Financial Liabilities				
Deposits from customers				
- At amortised cost	**241,265,730**	**-**	**242,236,694**	**-**
Unrestricted investment accounts	**2,673,444**	**-**	**2,675,172**	**-**
Recourse obligation on loans sold to Cagamas	**2,062,377**	**-**	**2,060,257**	**-**
Senior debts	**926,032**	**-**	**933,630**	**-**
Tier 2 subordinated bonds	**2,540,554**	**-**	**2,560,625**	**-**
Multi-currency Additional Tier 1 capital securities	**1,714,867**	**-**	**1,731,787**	**-**
	251,183,004	**-**	**252,198,165**	**-**
The Bank				
Financial Assets				
Financial investments at amortised cost				
- Money market	**18,932,860**	**-**	**19,553,658**	**-**
- Unquoted securities	**1,413,475**	**-**	**1,446,736**	**-**
Loans, advances and financing	**167,799,111**	**-**	**168,586,430**	**-**
	188,145,446	**-**	**189,586,824**	**-**
Financial Liabilities				
Deposits from customers				
- At amortised cost	**185,377,916**	**-**	**185,911,381**	**-**
Recourse obligation on loans sold to Cagamas	**1,759,599**	**-**	**1,758,349**	**-**
Senior debts	**724,881**	**-**	**732,037**	**-**
Tier 2 subordinated bonds	**2,540,554**	**-**	**2,560,625**	**-**
Multi-currency Additional Tier 1 capital securities	**1,714,867**	**-**	**1,731,787**	**-**
	192,117,817	**-**	**192,694,179**	**-**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair values of financial instruments not carried at fair value (continued)

The following table analyses within the fair value hierarchy of the Group's and the Bank's assets and liabilities not measured at fair value at 30 June 2025 but for which fair value is disclosed:

	2025			
	Carrying Amount RM'000	Fair Value		
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
The Group				
Financial Assets				
Financial investments at amortised cost				
- Money market	25,817,343	-	26,811,565	-
- Unquoted securities	887,034	-	914,261	-
Loans, advances and financing	208,964,590	-	210,415,396	-
	235,668,967	-	238,141,222	-
Financial Liabilities				
Deposits from customers				
- At amortised cost	231,258,918	-	232,105,762	-
Unrestricted investment accounts	2,268,351	-	2,269,469	-
Recourse obligation on loans sold to Cagamas	2,512,996	-	2,517,664	-
Senior debts	806,413	-	810,115	-
Tier 2 subordinated bonds	1,901,515	-	1,908,289	-
Multi-currency Additional Tier 1 capital securities	1,714,861	-	1,738,882	-
	240,463,054	-	241,350,181	-
The Bank				
Financial Assets				
Financial investments at amortised cost				
- Money market	20,119,929	-	20,891,500	-
- Unquoted securities	826,210	-	851,767	-
Loans, advances and financing	156,031,286	-	156,857,686	-
	176,977,425	-	178,600,953	-
Financial Liabilities				
Deposits from customers				
- At amortised cost	176,110,286	-	176,675,135	-
Recourse obligation on loans sold to Cagamas	1,508,444	-	1,510,084	-
Senior debts	605,097	-	607,618	-
Tier 2 subordinated bonds	1,901,515	-	1,908,289	-
Multi-currency Additional Tier 1 capital securities	1,714,861	-	1,738,882	-
	181,840,203	-	182,440,008	-

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value methodologies and assumptions

Short-term funds and placements with financial institutions

For short-term funds and placements with financial institutions with maturities of less than six months, the carrying value is a reasonable estimate of fair value. For short-term funds and placements with maturities six months and above, estimated fair value is based on discounted cash flows using prevailing money market interest rates at which similar deposits and placements would be made with financial institutions of similar credit risk and remaining period to maturity.

Securities purchased under resale agreements

The fair values of securities purchased under resale agreements with maturities of less than six months approximate the carrying values. For securities purchased under resale agreements with maturities of six months and above, the estimated fair values are based on discounted cash flows using market rates for the remaining term to maturity.

FVTPL, FVOCI and financial investments at amortised cost

The estimated fair value is generally based on quoted and observable market prices. Where there is no ready market in certain securities, the Group and the Bank establish the fair value by using valuation techniques.

Loans, advances and financing

For floating rate loans, the carrying value is generally a reasonable estimate of fair value. For fixed rate loans, the fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of loans with similar credit risks and maturities.

Deposits from customers

For deposits from customers with maturities of less than six months, the carrying amounts are reasonable estimates of their fair values. For deposit with maturities of six months and above, fair values are estimated using discounted cash flows based on prevailing market rates for similar deposits from customers.

Deposits and placements of banks and other financial institutions, bills and acceptances payable

The estimated fair values of deposits and placements of banks and other financial institutions, bills and acceptances payable with maturities of less than six months approximate the carrying values. For the items with maturities of six months and above, the fair values are estimated based on discounted cash flows using prevailing money market interest rates with similar remaining period to maturities

Recourse obligation on loans sold to Cagamas Berhad

For amounts due to Cagamas Berhad with maturities of less than one year, the carrying amounts are a reasonable estimate of their fair values. For amounts due to Cagamas Berhad with maturities of more than one year, fair value is estimated based on discounted cash flows using prevailing money market interest rates with similar remaining period to maturity.

Subordinated obligations and capital securities

The fair value of subordinated obligations and capital securities are based on quoted market prices where available.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

49 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value methodologies and assumptions (continued)

Other financial assets and liabilities

The carrying value less any estimated allowance for financial assets and liabilities included in "other assets and liabilities" are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

Credit related commitment and contingencies

The net fair value of these items was not calculated as estimated fair values are not readily ascertainable. These financial instruments generally relate to credit risks and attract fees in line with market prices for similar arrangements. They are not presently sold nor traded. The fair value may be represented by the present value of fees expected to be received, less associated costs.

Foreign exchange and interest rate related contracts

The fair values of foreign exchange and interest rate related contracts are the estimated amounts the Group or the Bank would receive to sell or pay to transfer the contracts at the date of statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

50 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows:

	The Group					The Bank				
			Related amount not set off in the statements of financial position					Related amount not set off in the statements of financial position		
	Gross amount of recognised financial assets/ liabilities in the statements of financial position RM'000	Net amount presented in the statements of financial position RM'000	Values of the financial instruments RM'000	Financial collateral received/ pledged RM'000	Net amount RM'000	Gross amount of recognised financial assets/ liabilities in the statements of financial position RM'000	Net amount presented in the statements of financial position RM'000	Values of the financial instruments RM'000	Financial collateral received/ pledged RM'000	Net amount RM'000
30 June 2026										
Financial assets										
Derivatives financial instruments	**2,216,954**	**2,216,954**	**(1,190,014)**	**(79,038)**	**947,902**	**2,140,687**	**2,140,687**	**(1,116,972)**	**(79,038)**	**944,677**
Securities purchased under resale agreement	**1,208,959**	**1,208,959**	**(1,208,959)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**3,425,913**	**3,425,913**	**(2,398,973)**	**(79,038)**	**947,902**	**2,140,687**	**2,140,687**	**(1,116,972)**	**(79,038)**	**944,677**
Financial liabilities										
Derivatives financial instruments	**2,324,404**	**2,324,404**	**(1,190,014)**	**(362,898)**	**771,492**	**2,061,684**	**2,061,684**	**(1,116,972)**	**(362,898)**	**581,814**
Obligations on securities sold under repurchase agreements	**6,322,232**	**6,322,232**	**(6,321,048)**	**1,184**	**2,368**	**6,322,232**	**6,322,232**	**(6,321,048)**	**1,184**	**2,368**
Total	**8,646,636**	**8,646,636**	**(7,511,062)**	**(361,714)**	**773,860**	**8,383,916**	**8,383,916**	**(7,438,020)**	**(361,714)**	**584,182**

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

50 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows: (continued)

	The Group					The Bank				
			Related amount not set off in the statements of financial position					Related amount not set off in the statements of financial position		
	Gross amount of recognised financial assets/ liabilities in the statements of financial position RM'000	Net amount presented in the statements of financial position RM'000	Values of the financial instruments RM'000	Financial collateral received/ pledged RM'000	Net amount RM'000	Gross amount of recognised financial assets/ liabilities in the statements of financial position RM'000	Net amount presented in the statements of financial position RM'000	Values of the financial instruments RM'000	Financial collateral received/ pledged RM'000	Net amount RM'000
30 June 2025										
Financial assets										
Derivatives financial instruments	2,258,499	2,258,499	(1,515,380)	(206,952)	536,167	2,182,189	2,182,189	(1,416,667)	(206,952)	558,570
Securities purchased under resale agreement	479,048	479,048	(479,048)	-	-	-	-	-	-	-
Total	2,737,547	2,737,547	(1,994,428)	(206,952)	536,167	2,182,189	2,182,189	(1,416,667)	(206,952)	558,570
Financial liabilities										
Derivatives financial instruments	2,649,881	2,649,881	(1,515,380)	(264,154)	870,347	2,483,120	2,483,120	(1,416,667)	(264,154)	802,299
Obligations on securities sold under repurchase agreements	6,524,607	6,524,607	(6,524,607)	-	-	6,524,607	6,524,607	(6,524,607)	-	-
Total	9,174,488	9,174,488	(8,039,987)	(264,154)	870,347	9,007,727	9,007,727	(7,941,274)	(264,154)	802,299

51 CAPITAL ADEQUACY

The Group's and the Bank's regulatory capital is governed by BNM's Capital Adequacy Framework guidelines. The capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components), which set out the approach for computing the regulatory capital adequacy ratios, the minimum levels of the ratios at which banking institutions are required to operate as well as requirements on Capital Conservation Buffer ("CCB") and Counter-Cyclical Capital Buffer ("CCyB"). The Group and the Bank are also required to maintain CCB of up to 2.5% of total risk-weighted assets ("RWA"). The CCyB, which could range from 0% up to 2.5%, is currently assessed at 0% in Malaysia. The minimum capital adequacy including CCB for Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 capital ratio and Total capital ratio for year 2019 onwards are 7.0%, 8.5% and 10.5% respectively.

The Group and the Bank have adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk computation in deriving the RWA.

Individual entities within the Group comply with all externally imposed capital requirements to which they are subject to.

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

	The Group		The Bank	
	2026	2025	2026	2025
Before deducting proposed dividends				
CET 1 capital ratio	**13.779%**	14.002%	**13.434%**	13.802%
Tier 1 capital ratio	**14.648%**	14.924%	**14.295%**	14.715%
Total capital ratio	**17.081%**	17.093%	**16.826%**	16.888%
After deducting proposed dividends				
CET 1 capital ratio	**12.926%**	13.233%	**12.326%**	12.805%
Tier 1 capital ratio	**13.794%**	14.154%	**13.188%**	13.717%
Total capital ratio	**16.228%**	16.323%	**15.719%**	15.891%

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

51 CAPITAL ADEQUACY (CONTINUED)

(b) The components of CET 1, Tier 1 and Tier 2 capital under the revised Capital Components Framework are as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
CET 1 capital				
Share capital	**7,739,063**	7,739,063	**7,739,063**	7,739,063
Retained profits	**32,123,094**	29,895,045	**18,974,211**	18,253,075
Other reserves	**433,212**	383,970	**312,267**	412,657
Less: Treasury shares	**(698,280)**	(700,378)	**(698,280)**	(700,378)
Less: Deferred tax assets	**(142,818)**	(118,650)	**(106,435)**	(88,222)
Less: Other intangible assets	**(320,151)**	(334,629)	**(297,709)**	(307,535)
Less: Goodwill	**(1,831,312)**	(1,831,312)	**(1,771,547)**	(1,771,547)
Less: Investment in subsidiary companies/associated companies	**(10,352,079)**	(9,210,641)	**(3,898,583)**	(3,902,710)
Total CET 1 capital	**26,950,729**	25,822,468	**20,252,987**	19,634,403
Additional Tier 1 capital				
Multi-currency Additional Tier 1 capital securities	**1,699,166**	1,698,638	**1,699,166**	1,698,638
Additional Tier 1 capital before regulatory adjustments	**1,699,166**	1,698,638	**1,699,166**	1,698,638
Less: Investment in Additional Tier 1 perpetual subordinated sukuk wakalah	**-**	-	**(400,000)**	(400,000)
Additional Tier 1 capital after regulatory adjustments	**1,699,166**	1,698,638	**1,299,166**	1,298,638
Total Tier 1 capital	**28,649,895**	27,521,106	**21,552,153**	20,933,041
Tier 2 capital				
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves[#]	**2,222,873**	2,102,019	**1,678,916**	1,593,894
Subordinated bonds	**2,536,920**	1,898,143	**2,536,920**	1,898,143
Less: Investment in Tier 2 Subordinated Sukuk Murabahah	**-**	-	**(400,000)**	(400,000)
Total Tier 2 capital	**4,759,793**	4,000,162	**3,815,836**	3,092,037
Total capital	**33,409,688**	31,521,268	**25,367,989**	24,025,078

[#] Includes the qualifying regulatory reserves for non-impaired loans of the Group and the Bank of RM2,137,528,000 (2025: RM1,842,518,000) and RM1,661,237,000 (2025: RM1,456,280,000) respectively.

51 CAPITAL ADEQUACY (CONTINUED)

(c) The breakdown of RWA by each major risk category is as follows:

	The Group		The Bank	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Credit risk*	**177,829,813**	168,161,505	**134,313,297**	127,511,543
Market risk	**6,189,836**	5,390,982	**6,031,330**	5,170,118
Operational risk	**11,570,835**	10,861,994	**10,418,274**	9,576,805
Total RWA	**195,590,484**	184,414,481	**150,762,901**	142,258,466

* In accordance with BNM Investment Account Policy, the credit RWA of HLISB funded by Investment Account of RM1,650,620,000 (2025: RM1,522,279,000) is excluded from the calculation of capital adequacy ratio of the Group.

(d) The capital adequacy ratios of the banking subsidiary company of the Group are as follows:

	Hong Leong Islamic Bank Berhad	
	2026	2025
Before deducting proposed dividends		
CET 1 capital ratio	**12.310%**	12.061%
Tier 1 capital ratio	**13.246%**	13.074%
Total capital ratio	**15.367%**	15.273%
After deducting proposed dividends		
CET 1 capital ratio	**12.310%**	12.061%
Tier 1 capital ratio	**13.246%**	13.074%
Total capital ratio	**15.367%**	15.273%

52 SEGMENT REPORTING

Business segment reporting

The business segment results are prepared based on the Group's internal management reporting reflective of the organisation's management reporting structure.

The various business segments are described below:

Personal Financial Services focuses mainly on servicing individual customers and small businesses. Products and services that are extended to customers include mortgages, credit cards, hire purchase and others.

Business & Corporate Banking focuses mainly on corporate and small medium enterprises. Products offered include trade financing, working capital facilities, other term financing and corporate advisory services.

Global Markets refers to the Group's domestic treasury and capital market operations and includes foreign exchange, money market operations as well as capital market securities trading and investments.

Overseas/International Operations refers to Hong Leong Bank Berhad Overseas Branches, Subsidiaries and Associates. The overseas operations are mainly in commercial banking and treasury business.

Other operations consist of results from head office and other subsidiaries in the Group, which inter alia consist of dividend income from associates and rental income.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

52 SEGMENT REPORTING (CONTINUED)

Business segment reporting (continued)

The Group	Personal Financial Services RM'000	Business & Corporate Banking RM'000	Global Markets RM'000	Overseas/ International Operations RM'000	Other Operations RM'000	Inter-Segment Elimination RM'000	Total RM'000
2026							
Net interest income							
- External	**3,275,546**	**856,896**	**893,304**	**325,028**	**(267,353)**	**2,218**	**5,085,639**
- Inter-segment^	**(478,586)**	**695,377**	**(595,816)**	**11,056**	**367,969**	**-**	**-**
Other operating income	**752,495**	**602,209**	**69,881**	**137,804**	**589,875**	**(544,616)**	**1,607,648**
Segment income	**3,549,455**	**2,154,482**	**367,369**	**473,888**	**690,491**	**(542,398)**	**6,693,287**
Overhead expenses of which:	**(1,516,960)**	**(476,490)**	**(125,166)**	**(303,531)**	**(79,123)**	**(12,586)**	**(2,513,856)**
Depreciation of property and equipment	**-**	**-**	**-**	**2,512**	**71,929**	**136**	**74,577**
Amortisation of intangible assets	**-**	**-**	**-**	**13,360**	**60,195**	**-**	**73,555**
(Allowance for)/write back of impairment losses on loans, advances and financing	**(33,357)**	**(4,889)**	**-**	**(41,084)**	**(52)**	**52**	**(79,330)**
(Allowance for)/write back of impairment losses on financial investments and other assets	**-**	**-**	**(540)**	**214**	**-**	**592**	**266**
Associated company:							
- Share of results	**-**	**-**	**-**	**1,380,111**	**-**	**-**	**1,380,111**
Segment results	**1,999,138**	**1,673,103**	**241,663**	**1,509,598**	**611,316**	**(554,340)**	**5,480,478**
Taxation							**(948,982)**
Net profit for the financial year							**4,531,496**
Segment assets	**145,119,171**	**63,903,000**	**73,054,865**	**28,763,161**	**-**	**-**	**310,840,197**
Unallocated assets							**17,571,123**
Total assets							**328,411,320**
Segment liabilities	**127,732,724**	**74,596,272**	**43,061,890**	**27,432,661**	**-**	**-**	**272,823,547**
Unallocated liabilities							**13,797,735**
Total liabilities							**286,621,282**
Other significant segment items							
Capital expenditure	**49,419**	**10,105**	**1,534**	**11,947**	**135,541**	**-**	**208,546**

^ Inter-segment transfer is based on internally computed cost of funds.

Note:

1. Total segment income comprises net interest income, income from Islamic Banking business and other operating income.
2. Unallocated assets and liabilities are not directly attributed to the business segments and cannot be allocated on a reasonable basis.
3. Included in the income of the inter-segment elimination category is the dividend income from associated companies of RM510,395,000 which is eliminated as part of the consolidated adjustment.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

52 SEGMENT REPORTING (CONTINUED)

Business segment reporting (continued)

The Group	Personal Financial Services RM'000	Business & Corporate Banking RM'000	Global Markets RM'000	Overseas/ International Operations RM'000	Other Operations RM'000	Inter-Segment Elimination RM'000	Total RM'000
2025							
Net interest income							
- External	3,295,190	814,043	705,845	361,760	(251,681)	2,305	4,927,462
- Inter-segment^	(463,046)	640,031	(619,476)	12,791	429,700	-	-
Other operating income	669,593	515,203	96,238	138,035	656,288	(604,789)	1,470,568
Segment income	3,501,737	1,969,277	182,607	512,586	834,307	(602,484)	6,398,030
Overhead expenses of which:	(1,532,107)	(445,681)	(116,415)	(297,278)	(73,903)	(13,815)	(2,479,199)
Depreciation of property and equipment	34,097	4,276	678	3,435	47,373	136	89,995
Amortisation of intangible assets	13,375	6,411	2,269	14,329	32,619	-	69,003
(Allowance for)/write back of impairment losses on loans, advances and financing	(8,907)	44,744	-	(51,520)	399,777	(777)	383,317
Write back of/(allowance for) impairment losses on financial investments and other assets	-	-	325	226	-	(269)	282
Associated companies:							
- Share of results	-	-	-	1,465,511	-	-	1,465,511
- Dilution loss	-	-	-	(407,602)	-	-	(407,602)
Segment results	1,960,723	1,568,340	66,517	1,221,923	1,160,181	(617,345)	5,360,339
Taxation							(1,086,897)
Net profit for the financial year							4,273,442
Segment assets	135,338,966	59,726,103	77,660,995	28,623,035	-	-	301,349,099
Unallocated assets							13,269,025
Total assets							314,618,124
Segment liabilities	122,176,423	71,277,226	43,001,140	27,218,083	-	-	263,672,872
Unallocated liabilities							11,658,276
Total liabilities							275,331,148
Other significant segment items							
Capital expenditure	11,021	992	385	10,896	92,906	-	116,200

^ Inter-segment transfer is based on internally computed cost of funds.

Note:

1. Total segment income comprises net interest income, income from Islamic Banking business and other operating income.
2. Unallocated assets and liabilities are not directly attributed to the business segments and cannot be allocated on a reasonable basis.
3. Included in the income of the inter-segment elimination category is the dividend income from associated companies of RM486,270,000 which is eliminated as part of the consolidated adjustment.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

52 SEGMENT REPORTING (CONTINUED)

The Group operates in two main geographical areas:

- Malaysia, the home country of the Group, which includes all the areas of operations in the primary business segments.

- Overseas operations, which includes branch, subsidiary, associate and joint venture operations in Singapore, Hong Kong, China, Vietnam and Cambodia. The overseas operations are mainly in commercial banking and treasury business.

The Group	Segment income RM'000	Non-current assets RM'000	Total assets RM'000	Total liabilities RM'000	Capital expenditure RM'000
2026					
Malaysia	**6,230,455**	**3,241,669**	**299,648,158**	**259,188,622**	**196,599**
Overseas operations	**462,832**	**10,436,989**	**28,763,162**	**27,432,660**	**11,947**
	6,693,287	**13,678,658**	**328,411,320**	**286,621,282**	**208,546**
2025					
Malaysia	5,898,235	3,174,054	285,995,088	248,113,065	105,304
Overseas operations	499,795	9,312,541	28,623,036	27,218,083	10,896
	6,398,030	12,486,595	314,618,124	275,331,148	116,200

53 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 29 May 2026, the Bank issued its first tranche of USD30.0 million nominal value of Euro Medium Term Notes ("EMTN") out of its USD5.0 billion Euro Medium Term Note Programme ("EMTN Programme") which was established on 30 April 2026. The coupon rate for this first tranche of the EMTN is 4.40% per annum, which is payable semi-annually in arrears from the date of the issue. The tenure for this EMTN is 3 years. The proceeds from the issuance shall be utilised for the Bank's working capital, general banking and other corporate purposes and/or if required, the refinancing of any existing financing obligations of the Bank.

(b) On 26 June 2026, the Bank issued a seventh tranche of RM640.0 million nominal value of Tier 2 Subordinated Notes ("HLB Sub-Notes") pursuant to its HLB T2 Programme in two series i.e. series 1: 10-years non-callable 5 years HLB Sub-Notes callable on 26 June 2031 (and thereafter) and due on 26 June 2036 and series 2: 12-years non-callable 7 years HLB Sub-Notes callable on 27 June 2033 (and thereafter) and due on 25 June 2038. The coupon rate for this seventh tranche of the HLB Sub Notes is 3.90% and 4.00% per annum for series 1 and series 2 respectively, which is payable semi-annually in arrears from the date of the issue. Proceeds from the HLB Sub Notes shall be utilised, without limitation, for HLB's working capital, general banking and other corporate purposes, and the refinancing of any existing borrowings incurred, subordinated debt issued by HLB and/or any existing subordinated notes issued under the HLB T2 Programme.

(c) Pursuant to Section 247(3) of the Companies Act 2016, the Bank submitted applications to the CCM seeking approval for the following two (2) wholly-owned subsidiaries of the Bank to have a different financial year end from the Bank:

1. HLBCAM, a wholly-owned subsidiary of the Bank incorporated in the Kingdom of Cambodia; and

2. HLBVN, a wholly-owned subsidiary of the Bank incorporated in the Socialist Republic of Vietnam.

While the financial year end of HLBCAM and HLBVN is 31 December, as required under the Prakas on Annual Audit of Financial Statements of Banks and Financial Institutions issued by the National Bank of Cambodia and the Law on Credit Institutions 2024 of Vietnam, respectively, the applications had been approved by CCM.

54 SUBSEQUENT EVENTS AFTER THE FINANCIAL YEAR

There are no material subsequent events after the financial year that require disclosure or adjustments to the financial statements.

55 EQUITY COMPENSATION BENEFITS

Executive Share Scheme

The Bank has established and implemented an Executive Share Scheme 2022.

(a) Executive Share Scheme 2022 ("ESS 2022")

The ESS 2022, which is governed by the bye-laws ("Bye-Laws"), entails the making of one (1) or more of the following offers to the Eligible Executives:

(i) option(s) under the ESOS which entitle an Eligible Executive who has accepted the offer ("Option Holder(s)") to acquire ordinary shares in HLB ("Shares") at an exercise price to be determined by the Board at its discretion ("Option Price") ("Option(s)"); and/or

(ii) grant(s) under the ESGS which entitle an Eligible Executive who has accepted the offer ("Grant Holder(s)") to receive Shares without any consideration payable by the Grant Holder ("Grant(s)").

The Board may at its discretion impose such vesting conditions (including financial and performance targets, the performance period and vesting period, if any) as it deems fit with the offer of the Options and/or Grants ("Offer(s)"). In determining whether to make an Option Offer and/or a Grant Offer, the Board may take into consideration various factors such as market practice, the quantum of the award, the length of the performance period and the performance targets.

In implementing the ESS 2022, it is the intention of the Bank to have the flexibility, at the absolute discretion of the Board, to enable the satisfaction of the Options and/or Grants through the following:

(i) transfer of existing Shares (other than treasury Shares); and/or

(ii) cash settlement pursuant to the Bye-Laws.

ESGS

(A) 124,944 ordinary shares at date of grant:

2026 Grant date	Vesting date	As at 1-Jul-25	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-26
1 March 2023	31 July 2024	-	-	-	-	-

2025 Grant date	Vesting date	As at 1-Jul-24	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-25
1 March 2023	31 July 2024	60,189	-	(2,172)	(58,017)	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

55 EQUITY COMPENSATION BENEFITS (CONTINUED)

(a) ESS (continued)

(B) 123,608 ordinary shares at date of grant:

2026 Grant date	Vesting date	As at 1-Jul-25	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-26
15 May 2023	31 July 2024	-	-	-	-	-

2025 Grant date	Vesting date	As at 1-Jul-24	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-25
15 May 2023	31 July 2024	61,804	-	-	(61,804)	-

(C) 53,684 ordinary shares at date of grant:

2026 Grant date	Vesting date	As at 1-Jul-25	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-26
29 November 2023	15 December 2024	-	-	-	-	-
29 November 2023	15 June 2025	-	-	-	-	-

2025 Grant date	Vesting date	As at 1-Jul-24	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-25
29 November 2023	15 December 2024	5,645	-	-	(5,645)	-
29 November 2023	15 June 2025	5,645	-	-	(5,645)	-
		11,290	-	-	(11,290)	-

(D) 292,670 ordinary shares at date of grant:

2026 Grant date	Vesting date	As at 1-Jul-25	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-26
29 November 2023	15 March 2026	**79,021**	-	-	**(79,021)**	-

2025 Grant date	Vesting date	As at 1-Jul-24	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-25
29 November 2023	15 March 2025	108,288	-	-	(108,288)	-
29 November 2023	15 March 2026	79,021	-	-	-	79,021
		187,309	-	-	(108,288)	79,021

55 EQUITY COMPENSATION BENEFITS (CONTINUED)

(a) ESS (continued)

(E) 144,520 ordinary shares at date of grant:

2026 Grant date	Vesting date	As at 1-Jul-25	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-26
20 February 2024	31 July 2025	**68,322**	**-**	**(128)**	**(68,194)**	**-**

2025 Grant date	Vesting date	As at 1-Jul-24	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-25
20 February 2024	31 January 2025	71,235	-	(2,093)	(69,142)	-
20 February 2024	31 July 2025	71,235	-	(2,913)	-	68,322
		142,470	-	(5,006)	(69,142)	68,322

(F) 6,459 ordinary shares at date of grant:

2026 Grant date	Vesting date	As at 1-Jul-25	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-26
19 June 2024	31 July 2025	**3,230**	**-**	**-**	**(3,230)**	**-**

2025 Grant date	Vesting date	As at 1-Jul-24	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-25
19 June 2024	31 January 2025	3,229	-	-	(3,229)	-
19 June 2024	31 July 2025	3,230	-	-	-	3,230
		6,459	-	-	(3,229)	3,230

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 30 June 2026

55 EQUITY COMPENSATION BENEFITS (CONTINUED)

(a) ESS (continued)

(G) 10,964,590 ordinary shares at date of grant:

2026 Grant date	As at 1-Jul-25	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-26
27 September 2024	**4,266,183**	**-**	**(243,709)**	**-**	**4,022,474**
27 September 2024	**6,698,407**	**-**	**(444,444)**	**-**	**6,253,963**
	10,964,590	**-**	**(688,153)**	**-**	**10,276,437**

2025 Grant date	As at 1-Jul-24	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-25
27 September 2024	-	4,266,183	-	-	4,266,183
27 September 2024	-	6,698,407	-	-	6,698,407
	-	10,964,590	-	-	10,964,590

The HLB Shares granted are subject to the achievement of certain performance criteria by the grant holders over two (2) performance periods concluding at the end of the financial year ending 30 June 2026 and 30 June 2028 respectively. The achievement of the performance targets and the number of shares (if any) to be vested shall be determined following the end of the respective performance periods. The vesting period of earned shares (if any) will be up to two (2) years from the respective dates to be determined.

(H) 196,746 ordinary shares at date of grant:

2026 Grant date	Vesting date	As at 1-Jul-25	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-26
24 February 2025	31 January 2026	**97,884**	**-**	**(446)**	**(97,438)**	**-**
24 February 2025	31 July 2026	**97,884**	**-**	**(1,305)**	**-**	**96,579**
		195,768	**-**	**(1,751)**	**(97,438)**	**96,579**

2025 Grant date	Vesting date	As at 1-Jul-24	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-25
24 February 2025	31 January 2026	-	98,373	(489)	-	97,884
24 February 2025	31 July 2026	-	98,373	(489)	-	97,884
		-	196,746	(978)	-	195,768

55 EQUITY COMPENSATION BENEFITS (CONTINUED)

(a) ESS (continued)

(I) 57,583 ordinary shares at date of grant:

2026 Grant date	Vesting date	As at 1-Jul-25	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-26
5 August 2025	13 August 2025	-	18,407	-	(18,407)	-
5 August 2025	31 March 2026	-	18,411	-	(18,411)	-
5 August 2025	31 March 2027	-	13,618	-	-	13,618
5 August 2025	31 March 2028	-	7,147	-	-	7,147
		-	57,583	-	(36,818)	20,765

(J) 892,642 ordinary shares at date of grant:

2026 Grant date	As at 1-Jul-25	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-26
24 October 2025	-	225,976	-	-	225,976
24 October 2025	-	666,666	-	-	666,666
	-	892,642	-	-	892,642

(K) 219,866 ordinary shares at date of grant:

2026 Grant date	Vesting date	As at 1-Jul-25	Granted	Forfeited	Transferred	Outstanding As at 30-Jun-26
2 March 2026	31 January 2027	-	109,933	(914)	-	109,019
2 March 2026	31 July 2027	-	109,933	(914)	-	109,019
		-	219,866	(1,828)	-	218,038

During the financial year ended 30 June 2026, 57,583, 892,642 and 219,866 ordinary shares have been granted on 5 August 2025, 24 October 2025 and 2 March 2026 respectively to eligible executives of the Bank pursuant to the Bank's ESS 2022.

During the financial year ended 30 June 2026, a total of 284,701 ordinary shares were vested and transferred pursuant to the Bank's ESS 2022, 691,860 ordinary shares forfeited with 11,504,461 ordinary shares remain outstanding.

During the financial year ended 30 June 2026, the Group and the Bank had recognised share-based compensation expense arising from ESS amounting to RM14.0 million (2025: RM13.9 million).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

55 EQUITY COMPENSATION BENEFITS (CONTINUED)

(b) Treasury shares for ESS

A trust has been set up for the ESS and it is administered by an appointed trustee. This trustee will be entitled from time to time to accept financial assistance from the Bank upon such terms and conditions as the Bank and the trustee may agree to purchase the Bank's shares from the open market for the purposes of this trust. In accordance with MFRS 132, the shares purchased for the benefit of the ESS holdings are recorded as "Treasury Shares for ESS" in the Shareholders' Funds on the statements of financial position. The cost of operating the Schemes is charged to the statements of income.

The number and market values of the ordinary shares held by the Trustee are as follows:

	The Group and The Bank			
	2026		2025	
	Number of trust shares held '000	Market value RM'000	Number of trust shares held '000	Market value RM'000
As at end of the financial year	**36,173**	**774,102**	36,457	714,557

56 IBOR REFORM

The Group and the Bank hold the following financial instruments which are referenced to the current benchmark interest rates and have yet to transition to an alternative interest rate benchmark:

	The Group		The Bank	
	Notional Amount		Notional Amount	
2026	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
(a) Derivative assets/liabilities				
(i) Interest rate swaps				
- KLIBOR	**119,063,688**	**119,114,284**	**118,637,324**	**119,087,351**
(ii) Option				
- KLIBOR	**17,912,566**	**7,116,493**	**10,796,073**	**7,116,493**
(b) Deposits from customers				
(i) Structured deposits				
- KLIBOR	**-**	**11,045,723**	**-**	**3,532,180**
(c) Loans, advances and financing				
- KLIBOR	**141,885**	**-**	**141,885**	**-**

56 IBOR REFORM (CONTINUED)

The Group and the Bank hold the following financial instruments which are referenced to the current benchmark interest rates and have yet to transition to an alternative interest rate benchmark: (continued)

	The Group		The Bank	
	Notional Amount		Notional Amount	
2025	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
(a) Derivative assets/liabilities				
(i) Interest rate swaps				
- KLIBOR	101,920,705	93,724,086	101,333,585	93,699,086
(ii) Option				
- KLIBOR	12,769,919	5,096,820	7,892,759	5,096,820
(b) Deposits from customers				
(i) Structured deposits				
- KLIBOR	-	7,743,979	-	3,072,949
(c) Loans, advances and financing				
- KLIBOR	211,800	-	211,800	-

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 30 June 2026

57 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

The Group and the Bank make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact to the Group's and the Bank's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are outlined below:

(a) Allowance for ECL

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

MFRS 9 introduces the use of macroeconomic factors which include, but is not limited to, gross domestic product, private consumption, banking system credit and house price index, and requires an evaluation of both the current and forecast direction of the economic cycle. Incorporating forward looking information increases the level of judgement as to how changes in these macroeconomic factors will affect ECL. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

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

(i) Determining criteria for significant increase in credit risk;

(ii) Choosing appropriate models and assumptions for the measurement of ECL;

(iii) Establishing the number and relative weightings of forward-looking scenarios for each type of product/ market and the associated ECL; and

(iv) Establishing groups of similar financial assets for the purposes of measuring ECL.

The sensitivity effect on the macroeconomic factor is further disclosed in Note 48(d)(viii) to the financial statements.

While the methodologies and assumptions applied in the base ECL calculations remained unchanged, the Group and the Bank have applied overlay adjustment to determine a sufficient overall level of ECL for the financial year ended 30 June 2026 amidst the potential volatilities in the domestic economic outlook. This cautious posture accounts for ongoing uncertainties in the global macroeconomic landscape, particularly the tail risk from the Hormuz disruptions, which may continue to transmit supply chain frictions and inflationary pressures into the local economy.

The details of overlay adjustment for expected credit losses are disclosed in Note 48(d)(ix) to the financial statements.

58 GENERAL INFORMATION

The Bank is a public limited liability company that is incorporated and domiciled in Malaysia. The registered office is at Level 30, Menara Hong Leong, No.6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 18 September 2026.

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Kong Khoon and Lau Souk Huan, two of the Directors of Hong Leong Bank Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 169 to 354 are drawn up so as to give a true and fair view of the financial position of the Group and the Bank as at 30 June 2026 and the financial performance and the cash flows of the Group and the Bank for the financial year then ended on that date, in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

On behalf of the Board,

Tan Kong Khoon

Lau Souk Huan

Kuala Lumpur
18 September 2026

STATUTORY DECLARATION PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Malkiat Singh @ Malkit Singh Maan A/L Delbara Singh, the officer primarily responsible for the financial management of Hong Leong Bank Berhad, do solemnly and sincerely declare that the financial statements set out on pages 169 to 354 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed Malkiat Singh @)
Malkit Singh Maan A/L Delbara Singh at)
Kuala Lumpur in Wilayah Persekutuan on)
18 September 2026)

Malkiat Singh @ Malkit Singh Maan A/L Delbara Singh
MIA No. CA9305

Before me,

Mohamad Zuliswandi bin Mohamed
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

to the members of Hong Leong Bank Berhad

Report on the Audit of the Financial Statements

Our opinion

In our opinion, the financial statements of Hong Leong Bank Berhad ("the Bank") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Bank as at 30 June 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Bank, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 169 to 354.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Bank. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Bank, the accounting processes and controls, and the industry in which the Group and the Bank operate.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146),
Chartered Accountants, Level 10, Menara TH 1 Sentral,
Jalan Rakyat, Kuala Lumpur Sentral, P O Box 10192,
50706 Kuala Lumpur, Malaysia.
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INDEPENDENT AUDITORS' REPORT
to the members of Hong Leong Bank Berhad

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Bank for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Bank as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of loans, advances and financing for the Group and the Bank Refer to Note 2N of the summary of material accounting policies and Note 8, 37 and 57 to the financial statements. We focused on this area due to the significant size of the carrying value of loans, advances and financing. The expected credit losses ("ECL") impairment model under MFRS 9 "Financial Instruments" requires the use of complex models and significant assumptions about the future economic conditions and credit behaviour. This is also an area of focus as it involves making significant judgements in applying the accounting requirements for measuring ECL, which include the following: • Building and selecting the appropriate collective assessment models used to calculate ECL. The models are inherently complex and judgement is applied in determining the appropriate construct of model; • Identification of loans, advances and financing that have experienced a significant increase in credit risk; and • Assumptions used in the ECL models, which are expected future cash flows, forward-looking macroeconomic factors, probability weighted multiple scenarios and ECL overlay adjustments made, given the economic uncertainty that may impact the ECL.	We understood and tested the design and operating effectiveness of the controls relating to: • Identification of loans, advances and financing that have experienced significant increase in credit risk or objective evidence of impairment and the calculation of the impairment loss; • Governance over the impairment processes, including ECL model development, model validation, model monitoring, model refinement and overlay; • Data used to determine the allowances for credit losses including the completeness and accuracy of the key inputs and assumptions used in the respective ECL models; • Collateral valuation and the accuracy of the collateral value used in ECL computation; and • Calculation, review and approval of the ECL computation. Individual assessment Where the loans, advances and financing are individually assessed, we performed the following procedures: • Examined a sample of loans, advances and financing identified by the Group and the Bank as having lower credit quality, rescheduled and restructured, borrowers in high risk industries and borrowers affected by recent adverse market developments, and formed our judgement as to whether there was a significant increase in credit risk or objective evidence of impairment; and • Where objective evidence of impairment was identified and impairment loss was individually calculated, we assessed the adequacy of impairment allowance by examining both the quantum and timing of future cash flows used by the Group and the Bank in the impairment loss calculation, challenging the assumptions and comparing estimates to external evidence where available. We also re-performed the calculations of discounted cash flows.

INDEPENDENT AUDITORS' REPORT

to the members of Hong Leong Bank Berhad

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
	Collective assessment To determine the appropriateness of the MFRS 9 collective assessment ECL models implemented by the Group and the Bank, we have: • Assessed the methodologies and significant modelling assumptions inherent within the ECL models applied against the requirements of MFRS 9, including the basis used by the Group and the Bank to determine the key assumptions used in respective ECL models; • Assessed the classification of loans, advances and financing including test appropriateness of staging criteria applied to determine significant increase in credit risk; • Assessed reasonableness of the macroeconomic forecast used as the forward-looking assumptions in the ECL model; • Assessed the reasonableness of the basis and assumptions used in determining the overlay adjustments to the ECL; • Involved our financial risk modelling experts and IT specialists in areas such as reviewing the appropriateness of the ECL models and data reliability; and • Re-performed relevant statistical tests for discriminatory power analysis and tested the calculation of ECL on sampling basis. Based on the procedures performed, we did not find any material exceptions to the Group's and the Bank's assessment on impairment of loans, advances and financing as at 30 June 2026.

Information other than the financial statements and auditors' report thereon

The Directors of the Bank are responsible for the other information. The other information comprises the Directors' Report and Annual Report, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

to the members of Hong Leong Bank Berhad

Responsibilities of the Directors for the financial statements

The Directors of the Bank are responsible for the preparation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the Directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the members of Hong Leong Bank Berhad

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Bank for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 14 to the financial statements.

Other Matters

This report is made solely to the members of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

NG YEE LING
03032/01/2027 J
Chartered Accountant

Kuala Lumpur
18 September 2026

FINANCIAL DATA FOR SHARIAH SCREENING DISCLOSURE

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements/Paragraph 9.41(b) of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	The Group 2026 RM'000	The Group 2025 RM'000
Interest income		**8,830,626**	8,888,980
Other income		**1,287,927**	1,191,185
Dividend income		**100,694**	59,486
Share of profit of associates		**1,380,111**	1,465,511
Others	Income from Islamic banking operations	**1,242,299**	1,159,833
Total		**12,841,657**	12,764,995
Total assets		**328,411,320**	314,618,124

(b) Business Activities

Shariah Non-Compliant Activities	The Group 2026 RM'000	The Group 2025 RM'000
Interest income	**8,830,626**	8,888,980
Conventional banking & finance and related sevices	**2,768,732**	2,716,182
Total	**11,599,358**	11,605,162

(c) Component of Financial Position

(i) Cash Component - Financial assets

	Remarks	The Group 2026 RM'000	The Group 2025 RM'000
Islamic Account/Instruments			
Cash at bank		**276,898**	495,652
Short-term funds		**960,072**	1,234,171
Securities purchased under resale agreements		**1,208,959**	479,048
Financial assets	Include financial assets/investments and financing and advances	**56,868,373**	50,751,478
Money market instruments		**9,864,846**	13,581,388
Total		**69,179,148**	66,541,737
Conventional Account/Instruments			
Cash at bank		**2,559,352**	1,088,527
Short-term funds		**7,086,867**	7,172,684
Deposits with licensed bank		**23,793**	3,249,641
Financial assets	Include financial assets/investments and loans, advances and financing	**187,559,202**	177,793,864
Money market instruments		**40,555,198**	38,861,358
Total		**237,784,412**	228,166,074

FINANCIAL DATA FOR SHARIAH SCREENING DISCLOSURE

(c) Component of Financial Position (continued)

(ii) Debt Component

Islamic Financing	Remarks	The Group 2026 RM'000	The Group 2025 RM'000
Current			
Bill payables		**48,243**	72,041
Multi-currency Islamic Senior Sukuk		**201,151**	1,272
Other profit bearing debt	Includes lease liabilities, recourse obligation on financing sold to Cagamas, Tier II subordinated Sukuk Murabahah and Multi-currency Additional Tier I subordinated Sukuk Wakalah	**9,007**	1,011,164
Non-Current			
Multi-currency Islamic Senior Sukuk		**-**	200,044
Other profit bearing debt	Includes lease liabilities, recourse obligation on financing sold to Cagamas, Tier II subordinated Sukuk Murabahah and Multi-currency Additional Tier I subordinated Sukuk Wakalah	**1,115,097**	800,943
Total		**1,373,498**	2,085,464

Conventional Borrowing	Remarks	The Group 2026 RM'000	The Group 2025 RM'000
Current			
Repurchase agreements		**6,322,232**	6,524,607
Bill payables		**243,914**	204,458
Medium term notes		**105,543**	5,581
Other interest bearing debt	Includes lease liabilities, recourse obligation on loans sold to Cagamas, Tier 2 subordinated bonds and Multi-currency Additional Tier 1 capital securities	**968,158**	764,058
Non-Current			
Medium term notes		**619,338**	599,516
Other interest bearing debt	Includes lease liabilities, recourse obligation on loans sold to Cagamas, Tier 2 subordinated bonds and Multi-currency Additional Tier 1 capital securities	**5,180,581**	4,518,074
Total		**13,439,766**	12,616,294

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

1. INTRODUCTION

The risk profile and risk management practices of Hong Leong Bank Berhad and its banking subsidiaries (collectively known as "the Bank") are disclosed in this document. These disclosures are in accordance with the requirements outlined in the Guidelines on Risk-Weighted Capital Adequacy Framework (Basel II) ("RWCAF") - Disclosure Requirements (Pillar 3) and Capital Adequacy Framework for Islamic Bank ("CAFIB") - Disclosure requirements (Pillar 3) issued by BNM.

The capital adequacy ratios of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components), which set out the approach for computing the regulatory capital adequacy ratios, the minimum levels of the ratios at which banking institutions are required to operate as well as requirements on Capital Conservation Buffer ("CCB") and Counter-Cyclical Capital Buffer ("CCyB"). The Bank is also required to maintain CCB of up to 2.5% of total risk-weighted assets ("RWA"). The CCyB, which could range from 0% up to 2.5%, is currently assessed at 0% in Malaysia. The minimum capital adequacy including CCB for Common Equity Tier 1 ("CET 1") capital ratio, Tier 1 capital ratio and Total capital ratio are 7.0%, 8.5% and 10.5% respectively.

The Bank has adopted the Standardised Approach for the computation of Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk computation in deriving the RWA.

The following information concerning the Bank's risk exposures, risk management practices and capital adequacy is disclosed as accompanying information to the annual report and does not form part of the audited financial statements.

2. SCOPE OF APPLICATION

The capital adequacy ratios of the Bank consist of capital base and RWA derived from the consolidated balances of the Bank and its banking subsidiaries, namely Hong Leong Islamic Bank Berhad ("HLISB"), Hong Leong Bank Vietnam Limited and Hong Leong Bank (Cambodia) PLC.

The Bank's capital requirements are generally based on the principles of consolidation adopted in the preparation of its financial statements, as disclosed in Note 2A to the financial statements, except where deductions from eligible capital are required under BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) or where separation requirements (set by BNM) are met by entities.

During the course of the year, the Bank did not experience any restrictions or other major impediments on transfer of funds or regulatory capital within the Bank.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

3. CAPITAL STRUCTURE AND ADEQUACY

The Bank monitors its capital adequacy position to ensure compliance with the requirements of BNM and allows for prompt actions to be taken to address projected capital deficiency. The capital position is reviewed on a monthly basis and takes into account the levels and trends of material risks. The sufficiency of capital is assessed against various risks on the balance sheet as well as future capital requirements based on the Bank's business plans.

The Bank has also formalised an overall capital management and planning policy, which seeks to ensure that it is in line with Basel III Capital Standards.

The following table sets forth details on the capital resources, capital adequacy ratios and risk-weighted assets of the Bank for the financial year end position. BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) set out the minimum capital adequacy ratios for the banking institutions and the methodologies for calculating these ratios. For the financial year, the Bank's CET 1, Tier 1 capital ratio and Total capital ratio were higher than BNM's minimum requirements.

BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) set out the constituents of the total eligible capital for the Bank. For the main features of these capital instruments, please refer to Note 27 and Note 28 to the financial statements.

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

	The Group		The Bank	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025
Before deducting proposed dividends				
CET 1 capital ratio	**13.779%**	14.002%	**13.434%**	13.802%
Tier 1 capital ratio	**14.648%**	14.924%	**14.295%**	14.715%
Total capital ratio	**17.081%**	17.093%	**16.826%**	16.888%
After deducting proposed dividends				
CET 1 capital ratio	**12.926%**	13.233%	**12.326%**	12.805%
Tier 1 capital ratio	**13.794%**	14.154%	**13.188%**	13.717%
Total capital ratio	**16.228%**	16.323%	**15.719%**	15.891%

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

3. CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

(b) The components of CET 1, Tier 1 and Tier 2 capital under the revised Capital Components Framework are as follows:

	The Group		The Bank	
	30 June 2026 RM'000	30 June 2025 RM'000	30 June 2026 RM'000	30 June 2025 RM'000
CET 1 capital				
Share capital	**7,739,063**	7,739,063	**7,739,063**	7,739,063
Retained profits	**32,123,094**	29,895,045	**18,974,211**	18,253,075
Other reserves	**433,212**	383,970	**312,267**	412,657
Less: Treasury shares	**(698,280)**	(700,378)	**(698,280)**	(700,378)
Less: Deferred tax assets	**(142,818)**	(118,650)	**(106,435)**	(88,222)
Less: Other intangible assets	**(320,151)**	(334,629)	**(297,709)**	(307,535)
Less: Goodwill	**(1,831,312)**	(1,831,312)	**(1,771,547)**	(1,771,547)
Less: Investment in subsidiary companies/associated companies	**(10,352,079)**	(9,210,641)	**(3,898,583)**	(3,902,710)
Total CET 1 capital	**26,950,729**	25,822,468	**20,252,987**	19,634,403
Additional Tier 1 capital				
Multi-currency Additional Tier-1 capital securities	**1,699,166**	1,698,638	**1,699,166**	1,698,638
Additional Tier 1 capital before regulatory adjustments	**1,699,166**	1,698,638	**1,699,166**	1,698,638
Less: Investment in Additional Tier 1 perpetual subordinated sukuk wakalah	**-**	-	**(400,000)**	(400,000)
Additional Tier 1 capital after regulatory adjustments	**1,699,166**	1,698,638	**1,299,166**	1,298,638
Total Tier 1 capital	**28,649,895**	27,521,106	**21,552,153**	20,933,041
Tier 2 capital				
Stage 1 and Stage 2 expected credit loss allowances and regulatory reserves #	**2,222,873**	2,102,019	**1,678,916**	1,593,894
Subordinated bonds	**2,536,920**	1,898,143	**2,536,920**	1,898,143
Less: Investment in Tier 2 Subordinated Sukuk Murabahah	**-**	-	**(400,000)**	(400,000)
Total Tier 2 capital	**4,759,793**	4,000,162	**3,815,836**	3,092,037
Total Capital	**33,409,688**	31,521,268	**25,367,989**	24,025,078

Includes the qualifying regulatory reserves for non-impaired loans of the Group and the Bank of RM2,137,528,000 (2025: RM1,842,518,000) and RM1,661,237,000 (2025: RM1,456,280,000) respectively.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

3. CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

(c) The breakdown of RWA by each major risk category is as follows:

	The Group		The Bank	
	30 June 2026 RM'000	30 June 2025 RM'000	30 June 2026 RM'000	30 June 2025 RM'000
Credit risk*	**177,829,813**	168,161,505	**134,313,297**	127,511,543
Market risk	**6,189,836**	5,390,982	**6,031,330**	5,170,118
Operational risk	**11,570,835**	10,861,994	**10,418,274**	9,576,805
Total RWA	**195,590,484**	184,414,481	**150,762,901**	142,258,466

* In accordance with BNM Investment Account Policy, the credit RWA of HLISB funded by Investment Account of RM1,650,620,000 (2025: RM1,522,279,000) is excluded from the calculation of capital adequacy ratio of the Group.

(d) The capital adequacy ratios of the banking subsidiary company of the Group are as follows:

	Hong Leong Islamic Bank Berhad	
	30 June 2026	30 June 2025
Before deducting proposed dividends		
CET 1 capital ratio	**12.310%**	12.061%
Tier 1 capital ratio	**13.246%**	13.074%
Total capital ratio	**15.367%**	15.273%
After deducting proposed dividends		
CET 1 capital ratio	**12.310%**	12.061%
Tier 1 capital ratio	**13.246%**	13.074%
Total capital ratio	**15.367%**	15.273%

3. CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

(e) The breakdown of RWA by exposure is as follows:

The Group	Gross exposures before CRM RM'000	Net exposures after CRM RM'000	Risk weighted assets RM'000	Minimum capital requirements at 8% RM'000
30 June 2026				
Exposure Class				
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	**58,064,824**	**58,064,824**	**195,936**	**15,675**
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	**11,201,470**	**11,201,470**	**3,240,905**	**259,272**
Insurance Cos, Securities Firms ("SF") and Fund Managers ("FM")	**2,242,408**	**2,067,895**	**2,067,895**	**165,432**
Corporates	**77,961,131**	**74,384,604**	**65,895,793**	**5,271,663**
Regulatory Retail	**56,443,241**	**55,957,885**	**41,814,956**	**3,345,196**
Residential Mortgages	**91,163,398**	**91,140,327**	**39,602,630**	**3,168,210**
Higher Risk Assets	**67,860**	**67,860**	**98,489**	**7,879**
Other Assets	**6,991,376**	**6,991,376**	**3,716,352**	**297,308**
Defaulted Exposures	**997,328**	**996,055**	**1,094,054**	**87,524**
Total On-Balance Sheet Exposures	**305,133,036**	**300,872,296**	**157,727,010**	**12,618,159**
Off-Balance Sheet Exposures				
Over-the-counter ("OTC") Derivatives	**5,051,862**	**5,051,862**	**2,775,867**	**222,069**
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	**20,868,519**	**20,137,593**	**17,319,543**	**1,385,563**
Defaulted Exposures	**4,929**	**4,929**	**7,393**	**591**
Total Off-Balance Sheet Exposures	**25,925,310**^	**25,194,384**	**20,102,803**	**1,608,223**
Total On and Off-Balance Sheet Exposures	**331,058,346**	**326,066,680**	**177,829,813**	**14,226,382**
Market Risk	**Long Position**	**Short Position**		
Interest Rate Risk	**291,432,020**	**285,523,880**	**5,277,320**	**422,186**
Foreign Currency Risk	**847,918**	**638,864**	**876,898**	**70,152**
Equity Risk	**485**	**4,257**	**8,639**	**691**
Option Risk	**-**	**-**	**26,979**	**2,158**
Total	**292,280,423**	**286,167,001**	**6,189,836**	**495,187**
Operational Risk			**11,570,835**	**925,667**
Total RWA and Capital Requirements			**195,590,484**	**15,647,236**

Note:
CRM - credit risk mitigation

^ The gross exposures before CRM of Off-Balance Sheet exposures refer to the credit equivalent of Off-Balance Sheet items on page 398.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

3. CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

(e) The breakdown of RWA by exposure is as follows: (continued)

The Group	Gross exposures before CRM RM'000	Net exposures after CRM RM'000	Risk weighted assets RM'000	Minimum capital requirements at 8% RM'000
30 June 2025				
Exposure Class				
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	57,688,031	57,688,031	83,392	6,671
Public Sector Entities	14,185	14,185	2,837	227
Banks, DFIs and MDBs	14,018,745	14,018,745	3,875,017	310,001
Insurance Cos, SF and FM	1,781,845	1,696,406	1,696,407	135,713
Corporates	71,755,737	69,159,123	61,881,547	4,950,524
Regulatory Retail	52,466,763	52,008,594	39,060,287	3,124,823
Residential Mortgages	86,346,433	86,321,259	38,050,524	3,044,042
Higher Risk Assets	64,262	64,262	96,393	7,711
Other Assets	7,966,812	7,966,812	4,232,371	338,590
Defaulted Exposures	1,032,678	1,000,654	1,181,813	94,545
Total On-Balance Sheet Exposures	293,135,491	289,938,071	150,160,588	12,012,847
Off-Balance Sheet Exposures				
OTC Derivatives	5,254,615	5,254,615	2,410,691	192,855
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	18,778,591	18,140,061	15,580,102	1,246,408
Defaulted Exposures	6,786	6,786	10,124	810
Total Off-Balance Sheet Exposures	24,039,992^	23,401,462	18,000,917	1,440,073
Total On and Off-Balance Sheet Exposures	317,175,483	313,339,533	168,161,505	13,452,920
Market Risk	**Long Position**	**Short Position**		
Interest Rate Risk	243,411,183	236,888,012	4,739,087	379,127
Foreign Currency Risk	607,253	440,083	607,253	48,580
Equity Risk	10,013	9,262	15,721	1,258
Option Risk	-	-	28,921	2,314
Total	244,028,449	237,337,357	5,390,982	431,279
Operational Risk			10,861,994	868,960
Total RWA and Capital Requirements			184,414,481	14,753,159

Note:

^ The gross exposures before CRM of Off-Balance Sheet exposures refer to the credit equivalent of Off-Balance Sheet items on page 399.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

3. CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

(e) The breakdown of RWA by exposure is as follows: (continued)

The Bank	Gross exposures before CRM RM'000	Net exposures after CRM RM'000	Risk weighted assets RM'000	Minimum capital requirements at 8% RM'000
30 June 2026				
Exposure Class				
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	**44,816,999**	**44,816,999**	**195,936**	**15,675**
Banks, DFIs and MDBs	**10,398,847**	**10,398,847**	**3,412,431**	**272,994**
Insurance Cos, SF and FM	**2,242,408**	**2,067,895**	**2,067,895**	**165,432**
Corporates	**57,682,568**	**54,497,526**	**48,376,251**	**3,870,100**
Regulatory Retail	**39,737,386**	**39,382,407**	**29,577,128**	**2,366,170**
Residential Mortgages	**70,004,981**	**69,985,064**	**29,898,212**	**2,391,857**
Higher Risk Assets	**64,829**	**64,829**	**97,244**	**7,779**
Other Assets	**7,188,577**	**7,188,577**	**4,271,058**	**341,685**
Defaulted Exposures	**639,882**	**639,378**	**711,693**	**56,935**
Total On-Balance Sheet Exposures	**232,776,477**	**229,041,522**	**118,607,848**	**9,488,627**
Off-Balance Sheet Exposures				
OTC Derivatives	**4,935,811**	**4,935,811**	**2,375,992**	**190,079**
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	**16,110,926**	**15,534,668**	**13,322,064**	**1,065,765**
Defaulted Exposures	**4,929**	**4,929**	**7,393**	**591**
Total Off-Balance Sheet Exposures	**21,051,666**^	**20,475,408**	**15,705,449**	**1,256,435**
Total On and Off-Balance Sheet Exposures	**253,828,143**	**249,516,930**	**134,313,297**	**10,745,062**
Market Risk	**Long Position**	**Short Position**		
Interest Rate Risk	**274,003,927**	**269,532,226**	**5,206,343**	**416,507**
Foreign Currency Risk	**789,370**	**616,597**	**789,370**	**63,150**
Equity Risk	**485**	**4,257**	**8,639**	**691**
Option Risk	**-**	**-**	**26,978**	**2,158**
Total	**274,793,782**	**270,153,080**	**6,031,330**	**482,506**
Operational Risk			**10,418,274**	**833,462**
Total RWA and Capital Requirements			**150,762,901**	**12,061,030**

Note:

^ The gross exposures before CRM of Off-Balance Sheet exposures refer to the credit equivalent of Off-Balance Sheet items on page 400.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

3. CAPITAL STRUCTURE AND ADEQUACY (CONTINUED)

(e) The breakdown of RWA by exposure is as follows: (continued)

The Bank	Gross exposures before CRM RM'000	Net exposures after CRM RM'000	Risk weighted assets RM'000	Minimum capital requirements at 8% RM'000
30 June 2025				
Exposure Class				
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	44,190,078	44,190,078	83,392	6,671
Public Sector Entities	14,185	14,185	2,837	227
Banks, DFIs and MDBs	11,443,202	11,443,202	3,574,706	285,976
Insurance Cos, SF and FM	1,781,845	1,696,406	1,696,406	135,713
Corporates	53,664,403	51,354,468	46,151,397	3,692,112
Regulatory Retail	36,789,520	36,450,558	27,437,943	2,195,035
Residential Mortgages	66,675,403	66,653,534	29,045,149	2,323,612
Higher Risk Assets	60,146	60,146	90,220	7,218
Other Assets	7,946,183	7,946,183	4,498,336	359,867
Defaulted Exposures	646,126	644,558	784,073	62,726
Total On-Balance Sheet Exposures	223,211,091	220,453,318	113,364,459	9,069,157
Off-Balance Sheet Exposures				
OTC Derivatives	4,302,195	4,302,195	2,090,385	167,231
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	14,644,997	14,110,890	12,056,239	964,499
Defaulted Exposures	344	344	460	37
Total Off-Balance Sheet Exposures	18,947,536^	18,413,429	14,147,084	1,131,767
Total On and Off-Balance Sheet Exposures	242,158,627	238,866,747	127,511,543	10,200,924
Market Risk	**Long Position**	**Short Position**		
Interest Rate Risk	229,209,394	223,762,328	4,569,715	365,577
Foreign Currency Risk	555,871	439,529	555,871	44,470
Equity Risk	10,013	9,262	15,721	1,258
Option Risk	-	-	28,811	2,305
Total	229,775,278	224,211,119	5,170,118	413,610
Operational Risk			9,576,805	766,144
Total RWA and Capital Requirements			142,258,466	11,380,678

Note:

^ The gross exposures before CRM of Off-Balance Sheet exposures refer to the credit equivalent of Off-Balance Sheet items on page 401.

4. RISK MANAGEMENT

The Bank has implemented a risk management framework with the objective to ensure the overall financial soundness and stability of the Bank's business operations. The risk management framework outlines the overall governance structure, aspiration, values and risk management strategies which aligns the Bank's risk profile, capital strategies and return objectives. Appropriate methodologies and measurements have been developed to manage uncertainties such that deviations from intended strategic objectives are closely monitored and kept within tolerable levels.

As part of the risk management framework, the Bank has formulated and implemented an Internal Capital Adequacy Assessment Process ("ICAAP") and a capital management and planning policy to ensure that it maintains the appropriate level of capital, the appropriate quality and structure of capital and the appropriate risk profile to support its strategic objectives. This also includes determining the Bank's minimum capital threshold and target capital levels.

From a governance perspective, the Board has the overall responsibility to define the Bank's risk appetite and ensure that a robust risk management and compliance culture prevails. The Board is assisted by the Board Risk Management Committee ("BRMC") in approving the risk management framework as well as the attendant capital management and planning policy, risk appetite statements, risk management strategies, and risk policies.

Dedicated management level committees are established to oversee the development and the effectiveness of risk management policies, to review risk exposures and portfolio composition as well as to ensure appropriate infrastructures, resources and systems are put in place for effective risk management activities.

Operationally, the Bank operates multiple lines of defences to effect a robust control framework. The business units being the first line of defence are responsible for identifying, mitigating and managing risks within their lines of business. The Group Risk Management ("GRM") function being one of the components of the second line of defence, is responsible for setting the risk management framework and developing tools and methodologies for the identification, measurement, monitoring, control and mitigation of risks. In addition, GRM undertakes validation to ensure that the business and operating units are in compliance to the Bank's risk appetite thresholds and to the regulatory requirements. Coverage of the GRM function includes Market Risk, Interest Rate Risk in the Banking Book, Liquidity Risk, Credit Risk, Technology Risk, Operational Risk, ICAAP and Stress Testing, Environment, Social and Governance ("ESG") Risk and Islamic Banking Risk.

The Group Internal Audit function, being the third line of defence, is responsible to provide independent assurance on the effective functioning of the risk management framework for the Bank.

The risk management process for each key risk area of the Bank and the various risk exposures are described in the following sections of the Pillar 3 disclosures.

(A) Credit risk

Credit risk arises as a result of customers or counterparties not being able to or willing to fulfil their financial and contractual obligations as and when they fall due. These obligations arise from lending, trade finance and other activities undertaken by the Bank.

The Bank has established a Board Policy on Credit Risk Governance to ensure that exposure to credit risk is kept within the Bank's financial capacity to withstand potential future losses. Lending activities are guided by the internal credit policies and guidelines which are reviewed and concurred by the Management Credit Committee ("MCC"), endorsed by the Credit Supervisory Committee ("CSC") and the BRMC, and approved by the Board. These policies are subject to review and enhancements, at least on an annual basis.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit portfolio strategies and significant exposures are reviewed by both the BRMC and the Board. These portfolio strategies are designed to achieve a desired portfolio risk tolerance level and sector distribution.

The Bank's credit approving process encompasses pre-approval evaluation, approval and post-approval evaluation. While the business units are responsible for credit origination, the credit approving function rests mainly with the Credit Evaluation Departments, the MCC and the CSC. The Board delegates the approving and discretionary authority to the MCC, CSC and the various personnel of the Bank based on job function and designation.

The Bank's Independent Credit Review function conducts independent post approval reviews on sampling basis to ensure that the quality of credit appraisals, approval standards and operational robustness are in accordance with the credit standards, lending policies and the directives established and approved by the Bank's Management as well as where appropriate, a countervailing perspective on credit risk management issues including the overall credit quality.

For any new products/product variation, credit risk assessment also forms part of the new product/product variation sign-off process to ensure that the new product complies with the appropriate policies and guidelines, prior to the introduction of the product.

The Bank's exposure to credit risk is mainly from its retail customers, small and medium enterprise ("SME"), commercial and corporate customers. The credit assessment for retail customers is managed on a portfolio basis and the risk scoring models and lending templates are designed to assess the credit worthiness and the likelihood of the obligors to repay their debts.

The SME, commercial and corporate customers are individually assessed and assigned with a credit rating, which is based on the assessment of relevant factors such as the customer's financial position, industry outlook, types of facilities and collaterals offered.

Under the Basel II Standardised Approach, the Bank makes use of credit ratings assigned by credit rating agencies in its calculation of credit risk weighted assets. This is applicable for exposures to sovereigns, central banks, public sector entities, banking institutions, corporates as well as certain other specific portfolios.

The approved External Credit Assessment Institutions ("ECAI") ratings and the prescribed risk weights on the above stated asset classes are used in the computation of regulatory capital. An exposure would be deemed to have an external rating if the issuer or the issue has a rating provided by an ECAI. In cases where an exposure does not have an issuer or issue rating, the exposure shall be deemed unrated and shall be accorded a risk weight appropriate for unrated exposures in their respective exposure category.

The ECAI used by the Bank are Moody's Investors Service and Rating Agency Malaysia ("RAM"). ECAI ratings are mapped to a common credit quality grade as prescribed by BNM.

In addition, the Bank also conducts periodic stress testing of its credit portfolios to ascertain the credit risk impact to capital under the relevant stress scenarios. In addition, the Bank's credit risk assessments are progressively enhanced to consider the effects of climate-related risks, as well as its impact on the ability and willingness of customers to honour their credit obligations.

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Gross credit exposure

(i) The table below sets out the breakdown of gross credit exposures by geographical distribution as follows:

The Group	Malaysia RM'000	Other countries RM'000	Total RM'000
30 June 2026			
On-Balance Sheet Exposures			
Financial assets at fair value through profit or loss	**5,036,415**	**184,799**	**5,221,214**
Financial investments at fair value through other comprehensive income	**29,777,030**	**7,024,005**	**36,801,035**
Financial investments at amortised cost	**23,980,987**	**1,080,035**	**25,061,022**
Loans, advances and financing	**208,180,579**	**17,084,588**	**225,265,167**
Derivative financial instruments	**2,062,024**	**154,930**	**2,216,954**
Total On-Balance Sheet Exposures	**269,037,035**	**25,528,357**	**294,565,392**
Off-Balance Sheet Exposures ^			
OTC Derivatives	**4,641,844**	**410,018**	**5,051,862**
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	**20,354,333**	**519,115**	**20,873,448**
Total Off-Balance Sheet Exposures	**24,996,177**	**929,133**	**25,925,310**
Total On and Off-Balance Sheet Exposures	**294,033,212**	**26,457,490**	**320,490,702**
30 June 2025			
On-Balance Sheet Exposures			
Financial assets at fair value through profit or loss	3,736,703	1,222,559	4,959,262
Financial investments at fair value through other comprehensive income	29,236,862	7,929,281	37,166,143
Financial investments at amortised cost	25,845,441	858,936	26,704,377
Loans, advances and financing	194,306,367	14,658,223	208,964,590
Derivative financial instruments	2,172,798	85,701	2,258,499
Total On-Balance Sheet Exposures	255,298,171	24,754,700	280,052,871
Off-Balance Sheet Exposures^			
OTC Derivatives	4,937,520	317,095	5,254,615
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	18,394,004	391,373	18,785,377
Total Off-Balance Sheet Exposures	23,331,524	708,468	24,039,992
Total On and Off-Balance Sheet Exposures	278,629,695	25,463,168	304,092,863

Note:

(1) For this table, the Group and the Bank have allocated the loans, advances and financing to geographical areas based on the country where the loans, advances and financing were provided.

^ Off-Balance Sheet exposures refer to the credit equivalent of Off-Balance Sheet items on page 398 and page 399.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Gross credit exposure (continued)

(i) The table below sets out the breakdown of gross credit exposures by geographical distribution as follows: (continued)

The Bank	Malaysia RM'000	Other countries RM'000	Total RM'000
30 June 2026			
On-Balance Sheet Exposures			
Financial assets at fair value through profit or loss	**3,599,764**	**184,799**	**3,784,563**
Financial investments at fair value through other comprehensive income	**22,883,466**	**7,023,198**	**29,906,664**
Financial investments at amortised cost	**19,297,771**	**1,048,564**	**20,346,335**
Loans, advances and financing	**154,723,051**	**13,076,060**	**167,799,111**
Derivative financial instruments	**1,985,763**	**154,924**	**2,140,687**
Total On-Balance Sheet Exposures	**202,489,815**	**21,487,545**	**223,977,360**
Off-Balance Sheet Exposures^			
OTC Derivatives	**4,526,655**	**409,156**	**4,935,811**
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	**15,800,880**	**314,975**	**16,115,855**
Total Off-Balance Sheet Exposures	**20,327,535**	**724,131**	**21,051,666**
Total On and Off-Balance Sheet Exposures	**222,817,350**	**22,211,676**	**245,029,026**
30 June 2025			
On-Balance Sheet Exposures			
Financial assets at fair value through profit or loss	2,659,815	1,222,559	3,882,374
Financial investments at fair value through other comprehensive income	20,930,974	7,926,820	28,857,794
Financial investments at amortised cost	20,137,002	809,137	20,946,139
Loans, advances and financing	145,335,505	10,695,781	156,031,286
Derivative financial instruments	2,096,497	85,692	2,182,189
Total On-Balance Sheet Exposures	191,159,793	20,739,989	211,899,782
Off-Balance Sheet Exposures^			
OTC Derivatives	3,986,100	316,095	4,302,195
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	14,421,163	224,178	14,645,341
Total Off-Balance Sheet Exposures	18,407,263	540,273	18,947,536
Total On and Off-Balance Sheet Exposures	209,567,056	21,280,262	230,847,318

Note:

(1) For this table, the Group and the Bank have allocated the loans, advances and financing to geographical areas based on the country where the loans, advances and financing were provided.

^ Off-Balance Sheet exposures refer to the credit equivalent of Off-Balance Sheet items on page 400 and page 401.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Gross credit exposure (continued)

(ii) The table below sets out the breakdown of gross credit exposures by sector as follows:

The Group	Financial assets at fair value through profit or loss RM'000	Financial investments at fair value through other comprehensive income RM'000	Financial investments at amortised cost RM'000	Loans, advances and financing RM'000	Derivative financial instruments RM'000	Total on-balance sheet credit risk exposures RM'000	OTC and credit derivatives RM'000	Off-balance sheet exposures other than OTC derivatives or credit derivatives RM'000	Total off-balance sheet credit risk exposures RM'000	Total on and off-balance sheet credit risk exposures RM'000
30 June 2026										
Agriculture	10,182	176,723	-	2,895,817	-	3,082,722	-	336,046	336,046	3,418,768
Mining and quarrying	33,516	791,082	-	137,794	-	962,392	-	28,484	28,484	990,876
Manufacturing	-	-	-	17,058,107	-	17,058,107	-	3,503,291	3,503,291	20,561,398
Electricity, gas and water	341,665	1,755,782	15,640	1,217,028	-	3,330,115	-	249,790	249,790	3,579,905
Construction	133,628	504,079	295,043	9,488,350	-	10,421,100	-	2,894,385	2,894,385	13,315,485
Wholesale and retail	-	-	-	20,459,151	-	20,459,151	-	3,506,921	3,506,921	23,966,072
Transport, storage and communications	-	262,488	-	6,667,407	-	6,929,895	-	219,850	219,850	7,149,745
Finance, insurance, real estate and business services	238,779	13,870,959	3,848,925	25,094,011	2,216,954	45,269,628	5,051,862	2,043,828	7,095,690	52,365,318
Government and government agencies	4,463,444	19,439,922	20,901,414	-	-	44,804,780	-	45,197	45,197	44,849,977
Education, health and others	-	-	-	1,215,047	-	1,215,047	-	199,239	199,239	1,414,286
Household	-	-	-	140,932,932	-	140,932,932	-	7,829,814	7,829,814	148,762,746
Others	-	-	-	99,523	-	99,523	-	16,603	16,603	116,126
Total On and Off-Balance Sheet Exposures	5,221,214	36,801,035	25,061,022	225,265,167	2,216,954	294,565,392	5,051,862	20,873,448	25,925,310	320,490,702

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Gross credit exposure (continued)

(ii) The table below sets out the breakdown of gross credit exposures by sector as follows: (continued)

The Group	Financial assets at fair value through profit or loss RM'000	Financial investments at fair value through other comprehensive income RM'000	Financial investments at amortised cost RM'000	Loans, advances and financing RM'000	Derivative financial instruments RM'000	Total on-balance sheet credit risk exposures RM'000	OTC and credit derivatives RM'000	Off-balance sheet exposures other than OTC derivatives or credit derivatives RM'000	Total off-balance sheet credit risk exposures RM'000	Total on and off-balance sheet credit risk exposures RM'000
30 June 2025										
Agriculture	40,749	146,864	-	2,769,566	-	2,957,179	-	328,350	328,350	3,285,529
Mining and quarrying	-	-	-	130,332	-	130,332	-	72,134	72,134	202,466
Manufacturing	5,285	-	-	16,479,732	-	16,485,017	-	5,010,168	5,010,168	21,495,185
Electricity, gas and water	188,256	2,412,158	-	1,185,770	-	3,786,184	-	67,865	67,865	3,854,049
Construction	10,764	531,607	26,360	7,472,060	-	8,040,791	-	1,703,365	1,703,365	9,744,156
Wholesale and retail	-	32,421	-	18,904,167	-	18,936,588	-	1,351,009	1,351,009	20,287,597
Transport, storage and communications	-	222,559	-	6,921,497	-	7,144,056	-	535,507	535,507	7,679,563
Finance, insurance, real estate and business services	1,551,944	16,251,187	1,975,750	22,235,081	2,258,499	44,272,461	5,254,615	1,527,696	6,782,311	51,054,772
Government and government agencies	3,162,264	17,569,347	24,702,267	-	-	45,433,878	-	44,939	44,939	45,478,817
Education, health and others	-	-	-	1,331,854	-	1,331,854	-	218,414	218,414	1,550,268
Household	-	-	-	131,487,212	-	131,487,212	-	7,925,782	7,925,782	139,412,994
Others	-	-	-	47,319	-	47,319	-	148	148	47,467
Total On and Off-Balance Sheet Exposures	4,959,262	37,166,143	26,704,377	208,964,590	2,258,499	280,052,871	5,254,615	18,785,377	24,039,992	304,092,863

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Gross credit exposure (continued)

(ii) The table below sets out the breakdown of gross credit exposures by sector as follows: (continued)

The Bank	Financial assets at fair value through profit or loss RM'000	Financial investments at fair value through other comprehensive income RM'000	Financial investments at amortised cost RM'000	Loans, advances and financing RM'000	Derivative financial instruments RM'000	Total on-balance sheet credit risk exposures RM'000	OTC and credit derivatives RM'000	Off-balance sheet exposures other than OTC derivatives or credit derivatives RM'000	Total off-balance sheet credit risk exposures RM'000	Total on and off-balance sheet credit risk exposures RM'000
30 June 2026										
Agriculture	10,182	156,526	-	1,555,675	-	1,722,383	-	248,853	248,853	1,971,236
Mining and quarrying	33,516	791,082	-	101,794	-	926,392	-	21,720	21,720	948,112
Manufacturing	-	-	-	11,773,738	-	11,773,738	-	2,620,357	2,620,357	14,394,095
Electricity, gas and water	26,235	1,255,517	-	706,810	-	1,988,562	-	133,647	133,647	2,122,209
Construction	252	274,446	127,550	7,117,704	-	7,519,952	-	2,058,812	2,058,812	9,578,764
Wholesale and retail	-	-	-	15,332,302	-	15,332,302	-	2,595,574	2,595,574	17,927,876
Transport, storage and communications	-	242,031	-	5,914,870	-	6,156,901	-	179,885	179,885	6,336,786
Finance, insurance, real estate and business services	101,727	12,887,848	2,233,930	19,533,756	2,140,687	36,897,948	4,935,811	1,569,616	6,505,427	43,403,375
Government and government agencies	3,612,651	14,299,214	17,984,855	-	-	35,896,720	-	32,277	32,277	35,928,997
Education, health and others	-	-	-	727,701	-	727,701	-	89,391	89,391	817,092
Household	-	-	-	104,938,436	-	104,938,436	-	6,555,043	6,555,043	111,493,479
Others	-	-	-	96,325	-	96,325	-	10,680	10,680	107,005
Total On and Off-Balance Sheet Exposures	3,784,563	29,906,664	20,346,335	167,799,111	2,140,687	223,977,360	4,935,811	16,115,855	21,051,666	245,029,026

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Gross credit exposure (continued)

(ii) The table below sets out the breakdown of gross credit exposures by sector as follows: (continued)

The Bank	Financial assets at fair value through profit or loss RM'000	Financial investments at fair value through other comprehensive income RM'000	Financial investments at amortised cost RM'000	Loans, advances and financing RM'000	Derivative financial instruments RM'000	Total on-balance sheet credit risk exposures RM'000	OTC and credit derivatives RM'000	Off-balance sheet exposures other than OTC derivatives or credit derivatives RM'000	Total off-balance sheet credit risk exposures RM'000	Total on and off-balance sheet credit risk exposures RM'000
30 June 2025										
Agriculture	-	126,607	-	1,185,685	-	1,312,292	-	246,972	246,972	1,559,264
Mining and quarrying	-	-	-	92,387	-	92,387	-	59,104	59,104	151,491
Manufacturing	5,285	-	-	11,789,008	-	11,794,293	-	3,587,255	3,587,255	15,381,548
Electricity, gas and water	55,950	2,146,519	-	699,027	-	2,901,496	-	19,737	19,737	2,921,233
Construction	10,764	378,037	26,360	5,368,522	-	5,783,683	-	1,248,824	1,248,824	7,032,507
Wholesale and retail	-	32,421	-	13,988,109	-	14,020,530	-	996,991	996,991	15,017,521
Transport, storage and communications	-	206,176	-	6,265,636	-	6,471,812	-	485,005	485,005	6,956,817
Finance, insurance, real estate and business services	1,159,385	13,743,479	1,362,724	17,489,227	2,182,189	35,937,004	4,302,195	1,403,148	5,705,343	41,642,347
Government and government agencies	2,650,990	12,224,555	19,557,055	-	-	34,432,600	-	31,077	31,077	34,463,677
Education, health and others	-	-	-	827,656	-	827,656	-	204,032	204,032	1,031,688
Household	-	-	-	98,280,414	-	98,280,414	-	6,363,196	6,363,196	104,643,610
Others	-	-	-	45,615	-	45,615	-	-	-	45,615
Total On and Off-Balance Sheet Exposures	3,882,374	28,857,794	20,946,139	156,031,286	2,182,189	211,899,782	4,302,195	14,645,341	18,947,536	230,847,318

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Gross credit exposure (continued)

(iii) The table below sets out the breakdown of gross credit exposures by residual contractual maturity as follows:

The Group	Less than 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
30 June 2026				
On-Balance Sheet Exposures				
Financial assets at fair value through profit or loss	**4,003,176**	**529,078**	**688,960**	**5,221,214**
Financial investments at fair value through other comprehensive income	**4,156,821**	**30,246,881**	**2,397,333**	**36,801,035**
Financial investments at amortised cost	**4,314,982**	**18,288,289**	**2,457,751**	**25,061,022**
Loans, advances and financing	**45,042,505**	**20,444,979**	**159,777,683**	**225,265,167**
Derivative financial instruments	**1,243,404**	**829,024**	**144,526**	**2,216,954**
Total On-Balance Sheet Exposures	**58,760,888**	**70,338,251**	**165,466,253**	**294,565,392**
Off-Balance Sheet Exposures^				
OTC Derivatives	**3,964,901**	**703,109**	**383,852**	**5,051,862**
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	**10,318,272**	**10,555,176**	**-**	**20,873,448**
Total Off-Balance Sheet Exposures	**14,283,173**	**11,258,285**	**383,852**	**25,925,310**
Total On and Off-Balance Sheet Exposures	**73,044,061**	**81,596,536**	**165,850,105**	**320,490,702**
30 June 2025				
On-Balance Sheet Exposures				
Financial assets at fair value through profit or loss	2,363,435	699,016	1,896,811	4,959,262
Financial investments at fair value through other comprehensive income	10,869,183	22,186,224	4,110,736	37,166,143
Financial investments at amortised cost	14,062,966	10,892,330	1,749,081	26,704,377
Loans, advances and financing	41,241,531	18,354,325	149,368,734	208,964,590
Derivative financial instruments	776,815	1,222,307	259,377	2,258,499
Total On-Balance Sheet Exposures	69,313,930	53,354,202	157,384,739	280,052,871
Off-Balance Sheet Exposures^				
OTC Derivatives	3,760,066	1,136,903	357,646	5,254,615
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	9,079,801	9,705,576	-	18,785,377
Total Off-Balance Sheet Exposures	12,839,867	10,842,479	357,646	24,039,992
Total On and Off-Balance Sheet Exposures	82,153,797	64,196,681	157,742,385	304,092,863

^ Off-Balance Sheet exposures refer to the credit equivalent of Off-Balance Sheet items on page 398 and page 399.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Gross credit exposure (continued)

(iii) The table below sets out the breakdown of gross credit exposures by residual contractual maturity as follows: (continued)

The Bank	Less than 1 year RM'000	1 - 5 years RM'000	Over 5 years RM'000	Total RM'000
30 June 2026				
On-Balance Sheet Exposures				
Financial assets at fair value through profit or loss	**2,566,526**	**529,078**	**688,959**	**3,784,563**
Financial investments at fair value through other comprehensive income	**3,993,341**	**24,132,080**	**1,781,243**	**29,906,664**
Financial investments at amortised cost	**3,620,757**	**14,470,580**	**2,254,998**	**20,346,335**
Loans, advances and financing	**35,138,652**	**16,101,388**	**116,559,071**	**167,799,111**
Derivative financial instruments	**1,140,786**	**851,366**	**148,535**	**2,140,687**
Total On-Balance Sheet Exposures	**46,460,062**	**56,084,492**	**121,432,806**	**223,977,360**
Off-Balance Sheet Exposures^				
OTC Derivatives	**3,667,612**	**875,021**	**393,178**	**4,935,811**
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	**8,257,271**	**7,858,584**	**-**	**16,115,855**
Total Off-Balance Sheet Exposures	**11,924,883**	**8,733,605**	**393,178**	**21,051,666**
Total On and Off-Balance Sheet Exposures	**58,384,945**	**64,818,097**	**121,825,984**	**245,029,026**
30 June 2025				
On-Balance Sheet Exposures				
Financial assets at fair value through profit or loss	1,797,821	414,783	1,669,770	3,882,374
Financial investments at fair value through other comprehensive income	8,546,025	17,663,392	2,648,377	28,857,794
Financial investments at amortised cost	10,444,731	8,752,327	1,749,081	20,946,139
Loans, advances and financing	32,465,078	14,390,372	109,175,836	156,031,286
Derivative financial instruments	678,180	1,246,776	257,233	2,182,189
Total On-Balance Sheet Exposures	53,931,835	42,467,650	115,500,297	211,899,782
Off-Balance Sheet Exposures^				
OTC Derivatives	3,183,888	845,398	272,909	4,302,195
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	7,432,149	7,213,192	-	14,645,341
Total Off-Balance Sheet Exposures	10,616,037	8,058,590	272,909	18,947,536
Total On and Off-Balance Sheet Exposures	64,547,872	50,526,240	115,773,206	230,847,318

^ Off-Balance Sheet exposures refer to the credit equivalent of Off-Balance Sheet items on page 400 and page 401.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Loans, advances and financing

(i) The table below sets out the breakdown by sector the amount of past due loans, advances and financing, credit impaired loans, advances and financing, expected credit losses (Stage 1, 2 and 3), expected credit losses charges/(write back) and write-offs for Stage 3 during the financial year as follows:

The Group	Past due loans, advances and financing RM'000	Credit impaired loans, advances and financing RM'000	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses-credit impaired (Stage 3) RM'000	Charges/ (write back) lifetime expected credit losses-credit impaired (Stage 3) RM'000	Write-offs lifetime expected credit losses-credit impaired (Stage 3) RM'000
30 June 2026							
Agriculture	**11,679**	**2,528**	**3,319**	**596**	**287**	**44**	**78**
Mining and quarrying	**1,539**	**873**	**298**	**8**	**197**	**107**	**65**
Manufacturing	**51,144**	**98,316**	**33,491**	**6,177**	**29,080**	**(1,347)**	**3,593**
Electricity, gas and water	**5,129**	**7,279**	**2,280**	**1,209**	**6,011**	**-**	**-**
Construction	**110,263**	**171,977**	**18,656**	**4,883**	**21,237**	**14,158**	**24,114**
Wholesale and retail	**199,754**	**227,066**	**48,398**	**10,322**	**108,111**	**58,713**	**21,400**
Transport, storage and communications	**114,666**	**21,861**	**6,391**	**749**	**1,576**	**1,194**	**463**
Finance, insurance, real estate and business services	**69,876**	**114,299**	**42,475**	**2,645**	**19,416**	**7,624**	**9,597**
Education, health and others	**10,068**	**11,730**	**2,936**	**651**	**1,275**	**(840)**	**459**
Household	**6,505,168**	**643,370**	**279,755**	**249,307**	**131,721**	**281,787**	**284,465**
Others	**108**	**-**	**-**	**6**	**-**	**-**	**-**
	7,079,394	**1,299,299**	**437,999**	**276,553**	**318,911**	**361,440**	**344,234**

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Loans, advances and financing (continued)

(i) The table below sets out the breakdown by sector the amount of past due loans, advances and financing, credit impaired loans, advances and financing, expected credit losses (Stage 1, 2 and 3), expected credit losses charges/(write back) and write-offs for Stage 3 during the financial year as follows: (continued)

The Group	Past due loans, advances and financing RM'000	Credit impaired loans, advances and financing RM'000	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses-credit impaired (Stage 3) RM'000	Charges/(write back) lifetime expected credit losses-credit impaired (Stage 3) RM'000	Write-offs lifetime expected credit losses-credit impaired (Stage 3) RM'000
30 June 2025							
Agriculture	5,380	3,988	3,379	223	383	123	295
Mining and quarrying	436	865	395	62	194	(71)	401
Manufacturing	34,944	82,412	31,641	9,776	27,075	17,242	79,824
Electricity, gas and water	2,901	58,794	2,075	1,155	6,009	6,083	88
Construction	139,432	85,437	19,398	11,644	42,090	15,627	8,334
Wholesale and retail	207,080	189,549	49,721	24,079	74,154	27,045	10,750
Transport, storage and communications	116,300	5,552	5,840	2,728	1,062	468	1,587
Finance, insurance, real estate and business services	80,526	119,919	41,592	2,981	24,816	12,108	1,981
Education, health and others	20,943	16,184	2,802	682	3,001	2,015	535
Household	6,236,356	581,549	295,498	279,014	143,106	244,296	246,469
Others	111	-	1,379	31	-	-	-
	6,844,409	1,144,249	453,720	332,375	321,890	324,936	350,264

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Loans, advances and financing (continued)

(i) The table below sets out the breakdown by sector the amount of past due loans, advances and financing, credit impaired loans, advances and financing, expected credit losses (Stage 1, 2 and 3), expected credit losses charges/(write back) and write-offs for Stage 3 during the financial year as follows: (continued)

The Bank	Past due loans, advances and financing RM'000	Credit impaired loans, advances and financing RM'000	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses-credit impaired (Stage 3) RM'000	Charges/ (write back) lifetime expected credit losses-credit impaired (Stage 3) RM'000	Write-offs lifetime expected credit losses-credit impaired (Stage 3) RM'000
30 June 2026							
Agriculture	**10,654**	**2,528**	**2,163**	**517**	**287**	**44**	**78**
Mining and quarrying	**1,539**	**873**	**197**	**2**	**197**	**107**	**65**
Manufacturing	**39,642**	**39,611**	**24,439**	**4,645**	**13,112**	**(786)**	**3,593**
Electricity, gas and water	**1,609**	**7,279**	**1,112**	**66**	**6,011**	**-**	**-**
Construction	**95,558**	**159,965**	**14,353**	**3,753**	**18,084**	**6,895**	**23,804**
Wholesale and retail	**126,067**	**112,933**	**33,316**	**6,689**	**51,061**	**26,695**	**16,712**
Transport, storage and communications	**113,062**	**17,178**	**5,092**	**648**	**1,535**	**1,127**	**463**
Finance, insurance, real estate and business services	**58,493**	**61,713**	**29,767**	**2,034**	**9,942**	**7,229**	**9,953**
Education, health and others	**9,586**	**7,602**	**1,829**	**251**	**395**	**(73)**	**459**
Household	**4,030,953**	**385,351**	**208,129**	**156,518**	**77,981**	**167,415**	**173,630**
Others	**108**	**-**	**-**	**-**	**-**	**-**	**-**
	4,487,271	**795,033**	**320,397**	**175,123**	**178,605**	**208,653**	**228,757**

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Loans, advances and financing (continued)

(i) The table below sets out the breakdown by sector the amount of past due loans, advances and financing, credit impaired loans, advances and financing, expected credit losses (Stage 1, 2 and 3), expected credit losses charges/(write back) and write-offs for Stage 3 during the financial year as follows: (continued)

The Bank	Past due loans, advances and financing RM'000	Credit impaired loans, advances and financing RM'000	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses-credit impaired (Stage 3) RM'000	Charges/(write back) lifetime expected credit losses-credit impaired (Stage 3) RM'000	Write-offs lifetime expected credit losses-credit impaired (Stage 3) RM'000
30 June 2025							
Agriculture	5,170	3,988	1,851	154	383	123	295
Mining and quarrying	436	865	261	13	194	(71)	401
Manufacturing	24,142	46,957	24,076	5,052	19,116	10,005	20,673
Electricity, gas and water	2,901	58,794	784	54	6,009	6,083	88
Construction	124,143	72,836	15,535	10,384	37,400	15,689	6,760
Wholesale and retail	133,903	114,630	34,263	9,208	42,567	11,546	10,005
Transport, storage and communications	111,499	3,205	4,674	2,277	991	311	1,458
Finance, insurance, real estate and business services	59,450	66,392	28,815	1,915	14,132	1,931	1,981
Education, health and others	15,986	10,751	2,053	326	1,185	281	535
Household	3,916,314	356,136	222,136	178,162	87,285	171,608	179,512
Others	111	-	-	-	-	-	-
	4,394,055	734,554	334,448	207,545	209,262	217,506	221,708

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Loans, advances and financing (continued)

(ii) The table below sets out the breakdown by geographical areas the amount of past due loans, advances and financing, impaired loans, advances and financing, expected credit losses (Stage 1, 2 and 3) as follows:

	Past due loans, advances and financing RM'000	Impaired loans, advances and financing RM'000	12-month expected credit losses (Stage 1) RM'000	Lifetime expected credit losses-not credit impaired (Stage 2) RM'000	Lifetime expected credit losses-credit impaired (Stage 3) RM'000
The Group					
30 June 2026					
Malaysia	**6,966,866**	**1,046,917**	**429,587**	**271,527**	**272,654**
Other countries	**112,528**	**252,382**	**8,412**	**5,026**	**46,257**
	7,079,394	**1,299,299**	**437,999**	**276,553**	**318,911**
The Bank					
30 June 2026					
Malaysia	**4,400,437**	**656,121**	**314,066**	**174,980**	**167,252**
Other countries	**86,834**	**138,912**	**6,331**	**143**	**11,353**
	4,487,271	**795,033**	**320,397**	**175,123**	**178,605**
The Group					
30 June 2025					
Malaysia	6,743,665	1,031,418	445,505	315,447	275,762
Other countries	100,744	112,831	8,215	16,928	46,128
	6,844,409	1,144,249	453,720	332,375	321,890
The Bank					
30 June 2025					
Malaysia	4,314,320	713,853	328,494	200,495	188,980
Other countries	79,735	20,701	5,954	7,050	20,282
	4,394,055	734,554	334,448	207,545	209,262

Notes:

(1) A financial asset is defined as "past due" when the counterparty has failed to make a principal or interest payment when contractually due.

(2) For description of approaches adopted by the Group and the Bank for the determination of expected credit losses impairment, refer to Note 2N to the financial statements.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Loans, advances and financing (continued)

(iii) The table below sets out the movements in expected credit losses for loans, advances and financing during the financial year as follows:

The Group	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
At 30 June 2026				
At 1 July	**453,720**	**332,375**	**321,890**	**1,107,985**
Changes in ECL due to transfer within stages	**(51,762)**	**(166,533)**	**218,295**	**-**
Transfer to Stage 1	**9,145**	**(9,102)**	**(43)**	**-**
Transfer to Stage 2	**(60,618)**	**115,162**	**(54,544)**	**-**
Transfer to Stage 3	**(289)**	**(272,593)**	**272,882**	**-**
New financial assets originated	**50,190**	**978**	**202**	**51,370**
Financial assets derecognised	**(14,073)**	**(30,859)**	**(17,703)**	**(62,635)**
Changes due to change in credit risk	**717**	**140,587**	**160,622**	**301,926**
Modifications to contractual cash flows of financial asset	**(227)**	**428**	**-**	**201**
Changes in models/risk parameters	**67**	**3**	**24**	**94**
Amount written off	**-**	**-**	**(344,234)**	**(344,234)**
Exchange difference	**(633)**	**(426)**	**(2,435)**	**(3,494)**
Other movements	**-**	**-**	**(17,750)**	**(17,750)**
At 30 June	**437,999**	**276,553**	**318,911**	**1,033,463**

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Loans, advances and financing (continued)

(iii) The table below sets out the movements in expected credit losses for loans, advances and financing during the financial year as follows: (continued)

The Bank	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
At 30 June 2026				
At 1 July	**334,448**	**207,545**	**209,262**	**751,255**
Changes in ECL due to transfer within stages	**(35,700)**	**(98,754)**	**134,454**	**-**
Transfer to Stage 1	**6,528**	**(6,491)**	**(37)**	**-**
Transfer to Stage 2	**(41,951)**	**79,088**	**(37,137)**	**-**
Transfer to Stage 3	**(277)**	**(171,351)**	**171,628**	**-**
New financial assets originated	**40,013**	**692**	**21**	**40,726**
Financial assets derecognised	**(11,771)**	**(17,240)**	**(9,534)**	**(38,545)**
Changes due to change in credit risk	**(5,840)**	**82,782**	**83,712**	**160,654**
Modifications to contractual cash flows of financial asset	**(224)**	**170**	**-**	**(54)**
Amount written off	**-**	**-**	**(228,757)**	**(228,757)**
Exchange difference	**(529)**	**(72)**	**(1,108)**	**(1,709)**
Other movements	**-**	**-**	**(9,445)**	**(9,445)**
At 30 June	**320,397**	**175,123**	**178,605**	**674,125**

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Loans, advances and financing (continued)

(iii) The table below sets out the movements in expected credit losses for loans, advances and financing during the financial year as follows: (continued)

The Group	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
At 30 June 2025				
At 1 July	902,823	341,901	369,010	1,613,734
Changes in ECL due to transfer within stages	(53,552)	(156,316)	209,868	-
Transfer to Stage 1	11,870	(11,786)	(84)	-
Transfer to Stage 2	(65,135)	124,110	(58,975)	-
Transfer to Stage 3	(287)	(268,640)	268,927	-
New financial assets originated	50,690	1,241	51	51,982
Financial assets derecognised	(17,150)	(49,347)	(22,908)	(89,405)
Changes due to change in credit risk	(428,572)	194,350	137,925	(96,297)
Modifications to contractual cash flows of financial asset	14	2,746	-	2,760
Amount written off	-	-	(350,264)	(350,264)
Exchange difference	(533)	(2,200)	(2,345)	(5,078)
Other movements	-	-	(19,447)	(19,447)
At 30 June	453,720	332,375	321,890	1,107,985

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Loans, advances and financing (continued)

(iii) The table below sets out the movements in expected credit losses for loans, advances and financing during the financial year as follows: (continued)

The Bank	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total ECL RM'000
At 30 June 2025				
At 1 July	665,344	223,723	220,616	1,109,683
Changes in ECL due to transfer within stages	(38,379)	(103,329)	141,708	-
Transfer to Stage 1	8,779	(8,712)	(67)	-
Transfer to Stage 2	(46,890)	84,476	(37,586)	-
Transfer to Stage 3	(268)	(179,093)	179,361	-
New financial assets originated	40,775	966	1	41,742
Financial assets derecognised	(13,561)	(31,620)	(14,185)	(59,366)
Changes due to change in credit risk	(319,890)	119,456	89,982	(110,452)
Modifications to contractual cash flows of financial asset	14	92	-	106
Amount written off	-	-	(221,708)	(221,708)
Exchange difference	145	(1,743)	218	(1,380)
Other movements	-	-	(7,370)	(7,370)
At 30 June	334,448	207,545	209,262	751,255

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk exposures by risk weight

The breakdown of credit risk exposures by risk weight is as follows:

The Group 30 June 2026	Exposures after Netting and Credit Risk Mitigation										
Risk Weight	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs and MDBs RM'000	Insurance Cos, SF and FM RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
0%	57,253,823	-	-	-	-	-	-	-	1,735,215	58,989,038	-
20%	891,520	724,738	8,149,249	107,080	8,613,904	-	-	-	1,929,622	20,416,113	4,083,207
35%	-	-	-	-	-	-	67,160,878	-	-	67,160,878	23,506,307
50%	-	-	5,744,552	3,350	1,677,688	34,511	15,257,614	-	-	22,717,715	11,358,858
75%	-	-	-	-	-	65,674,154	473	-	-	65,674,627	49,255,970
100%	33,121	-	-	2,410,587	74,843,987	1,078,356	9,072,597	-	3,334,097	90,772,745	90,772,745
150%	-	-	-	-	186,547	81,157	-	67,860	-	335,564	503,346
Total	58,178,464	724,738	13,893,801	2,521,017	85,322,126	66,868,178	91,491,562	67,860	6,998,934	326,066,680	179,480,433
Risk Weighted Assets by Exposure	211,425	144,948	4,502,110	2,433,678	77,685,432	50,472,963	40,208,066	101,790	3,720,021	179,480,433	
Average Risk Weight	0%	20.00%	32.40%	96.54%	91.05%	75.48%	43.95%	150.00%	53.15%	55.04%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk exposures by risk weight (continued)

The breakdown of credit risk exposures by risk weight is as follows: (continued)

The Group 30 June 2025	Exposures after Netting and Credit Risk Mitigation										
Risk Weight	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs and MDBs RM'000	Insurance Cos, SF and FM RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
0%	57,303,696	-	-	-	-	-	-	-	2,085,826	59,389,522	-
20%	445,403	318,867	11,681,093	102,755	6,870,972	-	-	-	2,117,027	21,536,117	4,198,735
35%	-	-	-	-	-	-	62,533,239	-	-	62,533,239	21,886,634
50%	-	-	5,999,513	-	1,885,448	30,612	14,779,786	-	-	22,695,359	11,250,543
75%	-	-	-	-	-	60,291,314	696	-	-	60,292,010	45,219,007
100%	-	-	-	1,953,324	69,664,194	1,690,002	9,301,011	-	3,813,597	86,422,128	86,422,127
150%	-	-	-	-	314,644	92,001	-	64,513	-	471,158	706,737
Total	57,749,099	318,867	17,680,606	2,056,079	78,735,258	62,103,929	86,614,732	64,513	8,016,450	313,339,533	169,683,783
Risk Weighted Assets by Exposure	89,081	63,773	5,130,350	1,973,875	72,453,077	47,061,795	38,578,060	96,770	4,237,002	169,683,783	
Average Risk Weight	0%	20.00%	29.02%	96.00%	92.02%	75.78%	44.54%	150.00%	52.85%	54.15%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk exposures by risk weight (continued)

The breakdown of credit risk exposures by risk weight is as follows: (continued)

The Bank 30 June 2026	Exposures after Netting and Credit Risk Mitigation										
Risk Weight	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs and MDBs RM'000	Insurance Cos, SF and FM RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
0%	43,990,454	-	-	-	-	-	-	-	1,404,352	45,394,806	-
20%	891,520	311,948	7,713,979	104,690	6,717,969	-	-	-	1,896,114	17,636,220	3,527,244
35%	-	-	-	-	-	-	53,677,570	-	-	53,677,570	18,787,150
50%	-	-	5,952,868	3,350	1,648,804	22,443	10,392,714	-	-	18,020,179	9,010,090
75%	-	-	-	-	-	47,695,029	300	-	-	47,695,329	35,771,496
100%	33,121	-	-	2,360,632	54,182,873	238,067	6,136,386	-	3,892,766	66,843,845	66,843,845
150%	-	-	-	-	127,140	57,012	-	64,829	-	248,981	373,472
Total	44,915,095	311,948	13,666,847	2,468,672	62,676,786	48,012,551	70,206,970	64,829	7,193,232	249,516,930	134,313,297
Risk Weighted Assets by Exposure	211,425	62,390	4,519,230	2,383,245	56,541,579	36,106,077	30,120,118	97,244	4,271,989	134,313,297	
Average Risk Weight	0%	20.00%	33.07%	96.54%	90.21%	75.20%	42.90%	150.00%	59.39%	53.83%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk exposures by risk weight (continued)

The breakdown of credit risk exposures by risk weight is as follows: (continued)

The Bank 30 June 2025	Exposures after Netting and Credit Risk Mitigation										
Risk Weight	Sovereigns/ Central Banks RM'000	Public Sector Entities RM'000	Banks, DFIs and MDBs RM'000	Insurance Cos, SF and FM RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
0%	43,805,739	-	-	-	-	-	-	-	1,809,676	45,615,415	-
20%	445,403	161,573	8,582,282	102,755	5,419,201	-	-	-	2,086,482	16,797,696	3,359,539
35%	-	-	-	-	-	-	49,894,340	-	-	49,894,340	17,463,018
50%	-	-	5,890,959	-	1,856,940	21,047	10,353,906	-	-	18,122,852	9,061,426
75%	-	-	-	-	-	43,969,496	444	-	-	43,969,940	32,977,454
100%	-	-	-	1,934,557	50,983,302	497,366	6,600,716	-	4,083,358	64,099,299	64,099,298
150%	-	-	-	-	244,355	62,452	-	60,398	-	367,205	550,808
Total	44,251,142	161,573	14,473,241	2,037,312	58,503,798	44,550,361	66,849,406	60,398	7,979,516	238,866,747	127,511,543
Risk Weighted Assets by Exposure	89,081	32,315	4,661,936	1,955,107	53,362,144	33,578,689	29,241,020	90,597	4,500,654	127,511,543	
Average Risk Weight	0%	20.00%	32.21%	95.97%	91.21%	75.37%	43.74%	150.00%	56.40%	53.38%	
Deduction from Capital Base	-	-	-	-	-	-	-	-	-	-	

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

The following tables summarise the rated exposures according to ratings by External Credit Assessment Institutions ("ECAIs") as follows:

(i) Ratings of Public Sector Entities, Insurance Cos, SF and FM and Corporates by approved ECAIs

The Group	Moody's RAM Aaa to Aa3 AAA to AA3 RM'000	A1 to A3 A1 to A3 RM'000	Baa1 to Ba3 BBB1 to BB3 RM'000	B1 to C B to D RM'000	Unrated Unrated RM'000
30 June 2026					
Exposure Class					
On and Off-Balance Sheet Exposures					
Public Sector Entities	**-**	**-**	**-**	**-**	**724,738**
Insurance Cos, SF and FM	**107,080**	**-**	**-**	**-**	**2,413,937**
Corporates	**8,585,831**	**1,651,134**	**19,086**	**-**	**75,066,075**
	8,692,911	**1,651,134**	**19,086**	**-**	**78,204,750**
30 June 2025					
Exposure Class					
On and Off-Balance Sheet Exposures					
Public Sector Entities	14,185	-	-	-	304,682
Insurance Cos, SF and FM	102,755	-	-	-	1,953,324
Corporates	6,827,314	1,878,699	489,663	-	69,539,582
	6,944,254	1,878,699	489,663	-	71,797,588

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

The following tables summarise the rated exposures according to ratings by External Credit Assessment Institutions ("ECAIs") as follows: (continued)

(i) Ratings of Public Sector Entities, Insurance Cos, SF and FM and Corporates by approved ECAIs (continued)

The Bank	Moody's RAM	Aaa to Aa3 AAA to AA3 RM'000	A1 to A3 A1 to A3 RM'000	Baa1 to Ba3 BBB1 to BB3 RM'000	B1 to C B to D RM'000	Unrated Unrated RM'000
30 June 2026						
Exposure Class						
On and Off-Balance Sheet Exposures						
Public Sector Entities		**-**	**-**	**-**	**-**	**311,948**
Insurance Cos, SF and FM		**104,690**	**-**	**-**	**-**	**2,363,982**
Corporates		**6,689,897**	**1,641,837**	**15,916**	**-**	**54,329,136**
		6,794,587	**1,641,837**	**15,916**	**-**	**57,005,066**
30 June 2025						
Exposure Class						
On and Off-Balance Sheet Exposures						
Public Sector Entities		14,185	-	-	-	147,388
Insurance Cos, SF and FM		102,755	-	-	-	1,934,557
Corporates		5,375,542	1,850,191	487,296	-	50,790,769
		5,492,482	1,850,191	487,296	-	52,872,714

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

The following tables summarise the rated exposures according to ratings by External Credit Assessment Institutions ("ECAIs") as follows: (continued)

(ii) Ratings of Sovereigns/Central Banks and Banking Institutions by approved ECAIs

The Group	Moody's RAM	Aaa to Aa3 AAA to AA3 RM'000	A1 to A3 A1 to A3 RM'000	Baa1 to Baa3 BBB1to BBB3 RM'000	Ba1 to B3 BB1 to B3 RM'000	Caa1 to C C1 to D RM'000	Unrated Unrated RM'000
30 June 2026							
Exposure Class							
On and Off-Balance Sheet Exposures							
Sovereigns/ Central Banks		**53,738,955**	**891,667**	**139,210**	**170,837**	**-**	**3,237,795**
Banks, DFIs and MDBs		**4,699,609**	**3,038,862**	**712,261**	**50,314**	**-**	**5,392,755**
		58,438,564	**3,930,529**	**851,471**	**221,151**	**-**	**8,630,550**
30 June 2025							
Exposure Class							
On and Off-Balance Sheet Exposures							
Sovereigns/ Central Banks		4,290,750	50,876,196	136,853	179,546	-	2,265,754
Banks, DFIs and MDBs		6,143,353	6,712,828	1,636,733	87,898	-	3,099,794
		10,434,103	57,589,024	1,773,586	267,444	-	5,365,548

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

The following tables summarise the rated exposures according to ratings by External Credit Assessment Institutions ("ECAIs") as follows: (continued)

(ii) Ratings of Sovereigns/Central Banks and Banking Institutions by approved ECAIs (continued)

The Bank	Moody's RAM	Aaa to Aa3 AAA to AA3 RM'000	A1 to A3 A1 to A3 RM'000	Baa1 to Baa3 BBB1 to BBB3 RM'000	Ba1 to B3 BB1 to B3 RM'000	Caa1 to C C1 to D RM'000	Unrated Unrated RM'000
30 June 2026							
Exposure Class							
On and Off-Balance Sheet Exposures							
Sovereigns/ Central Banks		**41,629,913**	**891,667**	**-**	**-**	**-**	**2,393,515**
Banks, DFIs and MDBs		**6,017,014**	**2,980,253**	**697,258**	**-**	**-**	**3,972,322**
		47,646,927	**3,871,920**	**697,258**	**-**	**-**	**6,365,837**
30 June 2025							
Exposure Class							
On and Off-Balance Sheet Exposures							
Sovereigns/ Central Banks		4,290,748	38,536,213	-	-	-	1,424,181
Banks, DFIs and MDBs		5,496,422	5,341,293	1,620,536	-	-	2,014,990
		9,787,170	43,877,506	1,620,536	-	-	3,439,171

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk mitigation

The Bank grants credit facilities on the basis of the borrower's credit standing, repayment and debt servicing ability. Where possible, collateral is taken to mitigate and reduce any credit risk for the particular credit facility extended. The value of the collateral is monitored periodically and where applicable, a revised valuation may be requested from the borrower. The types of collateral accepted include cash, marketable securities, properties, machineries, equipments, inventories and receivables. In certain cases, corporate guarantees are obtained where the credit worthiness of the corporate borrower is insufficient for the amount sought. There are policies and processes in place to monitor collateral concentration. For Credit Risk Management ("CRM") purposes, only collateral or guarantees that are legally enforceable are taken into account. The credit exposures are computed on a net basis only when there is a legally enforceable netting arrangements for loans and deposits. The Bank uses the Comprehensive Approach for computation of the adjusted exposures.

The following table summarises the breakdown of CRM by exposure:

The Group	Exposures before CRM RM'000	Exposures covered by guarantees/ credit derivatives RM'000	Exposures covered by eligible financial collateral RM'000
30 June 2026			
Exposure Class			
On-Balance Sheet Exposures			
Sovereigns/Central Banks	**58,064,824**	**-**	**-**
Banks, DFIs and MDBs	**11,201,470**	**-**	**-**
Insurance Cos, SF and FM	**2,242,408**	**-**	**174,513**
Corporates	**77,961,131**	**-**	**3,576,527**
Regulatory Retail	**56,443,241**	**-**	**485,356**
Residential Mortgages	**91,163,398**	**-**	**23,071**
Higher Risk Assets	**67,860**	**-**	**-**
Other Assets	**6,991,376**	**-**	**-**
Defaulted Exposures	**997,328**	**-**	**1,273**
Total On-Balance Sheet Exposures	**305,133,036**	**-**	**4,260,740**
Off-Balance Sheet Exposures			
OTC Derivatives	**5,051,862**	**-**	**-**
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	**20,868,519**	**-**	**730,926**
Defaulted Exposures	**4,929**	**-**	**-**
Total Off-Balance Sheet Exposures	**25,925,310**	**-**	**730,926**
Total On and Off-Balance Sheet Exposures	**331,058,346**	**-**	**4,991,666**

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk mitigation (continued)

The following table summarises the breakdown of CRM by exposure: (continued)

The Group	Exposures before CRM RM'000	Exposures covered by guarantees/ credit derivatives RM'000	Exposures covered by eligible financial collateral RM'000
30 June 2025			
Exposure Class			
On-Balance Sheet Exposures			
Sovereigns/Central Banks	57,688,031	-	-
Public Sector Entities	14,185	-	-
Banks, DFIs and MDBs	14,018,745	-	-
Insurance Cos, SF and FM	1,781,845	-	85,439
Corporates	71,755,737	-	2,596,614
Regulatory Retail	52,466,763	-	458,169
Residential Mortgages	86,346,433	-	25,174
Higher Risk Assets	64,262	-	-
Other Assets	7,966,812	-	-
Defaulted Exposures	1,032,678	-	32,024
Total On-Balance Sheet Exposures	293,135,491	-	3,197,420
Off-Balance Sheet Exposures			
OTC Derivatives	5,254,615	-	-
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	18,778,591	-	638,530
Defaulted Exposures	6,786	-	-
Total Off-Balance Sheet Exposures	24,039,992	-	638,530
Total On and Off-Balance Sheet Exposures	317,175,483	-	3,835,950

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk mitigation (continued)

The following table summarises the breakdown of CRM by exposure: (continued)

The Bank	Exposures before CRM RM'000	Exposures covered by guarantees/ credit derivatives RM'000	Exposures covered by eligible financial collateral RM'000
30 June 2026			
Exposure Class			
On-Balance Sheet Exposures			
Sovereigns/Central Banks	**44,816,999**	**-**	**-**
Banks, DFIs and MDBs	**10,398,847**	**-**	**-**
Insurance Cos, SF and FM	**2,242,408**	**-**	**174,513**
Corporates	**57,682,568**	**-**	**3,185,042**
Regulatory Retail	**39,737,386**	**-**	**354,979**
Residential Mortgages	**70,004,981**	**-**	**19,917**
Higher Risk Assets	**64,829**	**-**	**-**
Other Assets	**7,188,577**	**-**	**-**
Defaulted Exposures	**639,882**	**-**	**504**
Total On-Balance Sheet Exposures	**232,776,477**	**-**	**3,734,955**
Off-Balance Sheet Exposures			
OTC Derivatives	**4,935,811**	**-**	**-**
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	**16,110,926**	**-**	**576,258**
Defaulted Exposures	**4,929**	**-**	**-**
Total Off-Balance Sheet Exposures	**21,051,666**	**-**	**576,258**
Total On and Off-Balance Sheet Exposures	**253,828,143**	**-**	**4,311,213**

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Credit risk mitigation (continued)

The following table summarises the breakdown of CRM by exposure: (continued)

The Bank	Exposures before CRM RM'000	Exposures covered by guarantees/ credit derivatives RM'000	Exposures covered by eligible financial collateral RM'000
30 June 2025			
Exposure Class			
On-Balance Sheet Exposures			
Sovereigns/Central Banks	44,190,078	-	-
Public Sector Entities	14,185	-	-
Banks, DFIs and MDBs	11,443,202	-	-
Insurance Cos, SF and FM	1,781,845	-	85,439
Corporates	53,664,403	-	2,309,935
Regulatory Retail	36,789,520	-	338,962
Residential Mortgages	66,675,403	-	21,869
Higher Risk Assets	60,146	-	-
Other Assets	7,946,183	-	-
Defaulted Exposures	646,126	-	1,568
Total On-Balance Sheet Exposures	223,211,091	-	2,757,773
Off-Balance Sheet Exposures			
OTC Derivatives	4,302,195	-	-
Off-Balance Sheet Exposures Other Than OTC Derivatives or Credit Derivatives	14,644,997	-	534,107
Defaulted Exposures	344	-	-
Total Off-Balance Sheet Exposures	18,947,536	-	534,107
Total On and Off-Balance Sheet Exposures	242,158,627	-	3,291,880

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Counterparty credit risk

Counterparty credit risk is the risk of trading counterparties' failure to honour its obligations to the Bank. To control over-exposure of counterparty credit risk, credit limits are established for each trading counterparty. The credit limits are determined individually based on its credit strength and profile, which also takes into consideration the Bank's risk appetite and trading strategies.

Appropriate methodologies have been implemented to measure counterparty credit risk against credit limits of each trading counterparty. These measurement methodologies implemented are in line with BNM's Capital Adequacy Framework on the treatment of counterparty credit risk.

The Bank also engages in netting and margining agreements with major trading counterparties to mitigate counterparty credit risks. Under these agreements, the counterparty credit exposures are mitigated with collaterals whenever the exposures exceed the margin threshold.

Nature of commitments and contingencies

Direct credit substitutes comprise guarantees undertaken by the Bank to support the financial obligations of their customers to third parties.

Non credit related contingent items represent financial products such as Performance Guarantee whose crystallisations are dependent on specific events other than default payment by the customers.

Short term self liquidating trade-related contingencies relate to bills of exchange which have been accepted by the Bank and represent liabilities in the event of default by the acceptors and the drawers of the bills.

Assets sold with recourse and commitments with certain drawdown represents assets sold by the Bank with recourse in the event of defects in the assets, and investment or purchase commitments entered into by the Bank, where drawdown is certain to occur.

Obligations under underwriting agreements arise from underwriting agreements relating to the issuance of equity and debts securities, where the Bank is obliged to subscribe or purchase the securities in the event the securities are not taken up when issued.

Irrevocable commitments to extend credit include all obligations on the part of the Bank to provide funding facilities or the undrawn portion of an approved credit facilities to customers.

Forward foreign exchange contracts are agreements to buy or sell fixed amounts of currencies at agreed rates of exchange on a specified future date.

Interest rate swaps involve the exchange of interest obligations with a counterparty for a specified period without the exchange of the underlying principal.

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Counterparty credit risk (continued)

The Off-Balance Sheet exposures and their related counterparty credit risk of the Group and the Bank are as follows:

The Group	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Assets* RM'000
30 June 2026				
Commitments and Contingent Liabilities				
Direct credit substitutes	**228,235**	**-**	**228,235**	**211,632**
Transaction related contingent items	**4,215,423**	**-**	**2,107,712**	**2,044,652**
Short term self liquidating trade related contingencies	**1,672,826**	**-**	**334,565**	**326,855**
Irrevocable commitments to extend credit:				
- More than one year	**21,461,549**	**-**	**10,730,773**	**8,602,895**
- Less than one year	**28,609,026**	**-**	**5,721,805**	**4,825,720**
Unutilised credit card lines	**8,751,788**	**-**	**1,750,358**	**1,315,182**
	64,938,847	**-**	**20,873,448**	**17,326,936**
Derivative Financial Contracts				
Foreign exchange related contracts:				
- Less than one year	**99,072,629**	**1,085,839**	**3,765,214**	**1,750,302**
- One year to five years	**4,228,599**	**152,194**	**116,110**	**121,006**
- Over five years	**840,326**	**68,220**	**263,208**	**298,601**
Interest/profit rate related contracts:				
- Less than one year	**98,625,039**	**59,507**	**23,871**	**9,850**
- One year to five years	**148,696,586**	**563,295**	**474,320**	**316,887**
- Over five years	**6,342,550**	**56,801**	**120,644**	**30,792**
Equity related contracts:				
- Less than one year	**862,027**	**51,284**	**31,948**	**29,885**
- One year to five years	**928,988**	**88,141**	**1,037**	**1,102**
Credit related contracts:				
- Less than one year	**215,842**	**10,058**	**-**	**-**
- One year to five years	**10,826**	**93**	**-**	**-**
- Over five years	**1,546,475**	**19,505**	**-**	**-**
Commodity related contracts				
- Less than one year	**1,515,416**	**36,716**	**143,128**	**124,395**
- One year to five years	**941,118**	**25,301**	**112,382**	**93,047**
	363,826,421	**2,216,954**	**5,051,862**	**2,775,867**
	428,765,268	**2,216,954**	**25,925,310**	**20,102,803**

* The credit equivalent amount and risk-weighted assets are arrived at using the credit conversion factors and risk-weights as defined in BNM's revised RWCAF and CAFIB.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Counterparty credit risk (continued)

The Off-Balance Sheet exposures and their related counterparty credit risk of the Group and the Bank are as follows: (continued)

The Group	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Assets* RM'000
30 June 2025				
Commitments and Contingent Liabilities				
Direct credit substitutes	210,609	-	210,608	210,228
Transaction related contingent items	3,411,783	-	1,705,777	1,661,672
Short term self liquidating trade related contingencies	1,264,218	-	252,844	250,451
Irrevocable commitments to extend credit:				
- More than one year	19,529,325	-	9,764,663	7,788,062
- Less than one year	26,446,492	-	5,289,299	4,506,020
Unutilised credit card lines	7,810,930	-	1,562,186	1,173,793
	58,673,357	-	18,785,377	15,590,226
Derivative Financial Contracts				
Foreign exchange related contracts:				
- Less than one year	89,286,183	672,902	3,701,601	1,572,783
- One year to five years	4,577,090	164,159	278,879	250,847
- Over five years	644,083	55,268	226,649	193,361
Interest/profit rate related contracts:				
- Less than one year	74,020,241	51,633	23,058	8,017
- One year to five years	138,138,796	912,413	818,178	294,975
- Over five years	5,595,907	102,174	130,998	26,201
Equity related contracts:				
- Less than one year	552,871	31,355	33,438	25,590
- One year to five years	1,148,149	82,922	39,846	36,949
Credit related contracts:				
- Less than one year	256,983	5,652	-	-
- One year to five years	12,129	606	-	-
- Over five years	1,549,149	101,935	-	-
Commodity related contracts				
- Less than one year	421,710	15,273	1,968	1,968
- One year to five years	1,172,318	62,207	-	-
	317,375,609	2,258,499	5,254,615	2,410,691
	376,048,966	2,258,499	24,039,992	18,000,917

* The credit equivalent amount and risk-weighted assets are arrived at using the credit conversion factors and risk-weights as defined in BNM's revised RWCAF and CAFIB.

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Counterparty credit risk (continued)

The Off-Balance Sheet exposures and their related counterparty credit risk of the Group and the Bank are as follows: (continued)

The Bank	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Assets* RM'000
30 June 2026				
Commitments and Contingent Liabilities				
Direct credit substitutes	**211,477**	**-**	**211,477**	**194,874**
Transaction related contingent items	**3,130,045**	**-**	**1,565,023**	**1,507,550**
Short term self liquidating trade related contingencies	**1,375,028**	**-**	**275,006**	**267,416**
Irrevocable commitments to extend credit:				
- More than one year	**15,941,932**	**-**	**7,970,964**	**6,356,930**
- Less than one year	**21,715,134**	**-**	**4,343,027**	**3,687,505**
Unutilised credit card lines	**8,751,788**	**-**	**1,750,358**	**1,315,182**
	51,125,404	**-**	**16,115,855**	**13,329,457**
Derivative Financial Contracts				
Foreign exchange related contracts:				
- Less than one year	**89,709,931**	**983,128**	**3,468,295**	**1,531,331**
- One year to five years	**4,132,364**	**146,182**	**111,182**	**105,291**
- Over five years	**908,594**	**71,271**	**261,034**	**241,372**
Interest/profit rate related contracts:				
- Less than one year	**99,803,804**	**59,610**	**24,241**	**9,715**
- One year to five years	**154,298,883**	**591,649**	**650,420**	**214,578**
- Over five years	**6,278,550**	**57,759**	**132,144**	**26,429**
Equity related contracts:				
- Less than one year	**862,027**	**51,274**	**31,948**	**29,377**
- One year to five years	**928,988**	**88,141**	**1,037**	**457**
Credit related contracts:				
- Less than one year	**215,842**	**10,058**	**-**	**-**
- One year to five years	**10,826**	**93**	**-**	**-**
- Over five years	**1,546,475**	**19,505**	**-**	**-**
Commodity related contracts				
- Less than one year	**1,515,416**	**36,716**	**143,128**	**124,395**
- One year to five years	**941,118**	**25,301**	**112,382**	**93,047**
	361,152,818	**2,140,687**	**4,935,811**	**2,375,992**
	412,278,222	**2,140,687**	**21,051,666**	**15,705,449**

* The credit equivalent amount and risk-weighted assets are arrived at using the credit conversion factors and risk-weights as defined in BNM's revised RWCAF and CAFIB.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(A) Credit risk (continued)

Counterparty credit risk (continued)

The Off-Balance Sheet exposures and their related counterparty credit risk of the Group and the Bank are as follows: (continued)

The Bank	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Assets* RM'000
30 June 2025				
Commitments and Contingent Liabilities				
Direct credit substitutes	193,775	-	193,774	193,394
Transaction related contingent items	2,507,035	-	1,253,403	1,211,520
Short term self liquidating trade related contingencies	1,100,777	-	220,155	217,821
Irrevocable commitments to extend credit:				
- More than one year	14,426,386	-	7,213,193	5,676,576
- Less than one year	21,013,150	-	4,202,630	3,583,595
Unutilised credit card lines	7,810,930	-	1,562,186	1,173,793
	47,052,053	-	14,645,341	12,056,699
Derivative Financial Contracts				
Foreign exchange related contracts:				
- Less than one year	79,218,455	572,637	3,126,570	1,388,481
- One year to five years	4,577,090	164,159	278,879	250,847
- Over five years	644,083	53,144	157,949	138,557
Interest/profit rate related contracts:				
- Less than one year	74,020,241	53,263	23,058	8,017
- One year to five years	143,434,429	936,884	529,385	218,913
- Over five years	5,553,317	102,154	114,961	22,992
Equity related contracts:				
- Less than one year	552,871	31,355	32,291	25,017
- One year to five years	1,148,149	82,920	37,134	35,593
Credit related contracts:				
- Less than one year	256,983	5,652	-	-
- One year to five years	12,129	606	-	-
- Over five years	1,549,149	101,935	-	-
Commodity related contracts				
- Less than one year	421,710	15,273	1,968	1,968
- One year to five years	1,172,318	62,207	-	-
	312,560,924	2,182,189	4,302,195	2,090,385
	359,612,977	2,182,189	18,947,536	14,147,084

* The credit equivalent amount and risk-weighted assets are arrived at using the credit conversion factors and risk-weights as defined in BNM's revised RWCAF and CAFIB.

4. RISK MANAGEMENT (CONTINUED)

(B) Market risk

Market risk is the risk of loss in financial instruments or the balance sheet due to adverse movements in market factors such as interest rates, foreign exchange rates, equities, spreads, volatilities and/or correlations.

The Bank adopts a systematic approach in managing such risks by types of instruments and nature of exposure. Market risk is primarily controlled via a series of cut-loss limits and potential loss limits, i.e. Value at Risk ("VaR"). The amount of market risk that the Bank is prepared to take for each financial year is based on the budget, business direction, its risk-taking strategies, the impact on earnings and capital utilisation. These factors are used as a basis for setting market risk limits for the Bank.

Market risk limits, the monitoring and escalation processes, delegation of authority, model validation and valuation methodologies are built into the Bank's market risk policies, which are reviewed and concurred by the Group Assets and Liabilities Management Committee ("Group ALCO"), endorsed by the BRMC and approved by the Board.

The main market risk limits are stop loss limits, VaR limits, counterparty limits, sensitivity limits, position/ instrument limits and holding period limits.

VaR is defined as the maximum loss at a specific confidence level over a specified period of time under normal market conditions. The Bank computes the Historical Simulation VaR on a daily basis based on the recent 250-days of market observations at a 99.0% confidence level.

In addition, stress tests are conducted regularly on the trading book. In performing stress-testing, the Bank uses the following:

(1) Scenario analysis, which is a combination of expected movements on risk factors.

(2) Historical crisis event, which is based on actual movements that occurred in the relevant risk factors. The main risk factors that are stressed are the equity price movements, interest rates movements (for MYR, USD and other major currencies), ratings migration and Foreign Exchange spot and volatilities.

In managing interest rate risk in the banking book, the Bank measures Earnings at Risk ("EAR") and economic value or Capital at Risk ("CAR").

(C) Market Conduct Risk

Market Conduct risk is the risk that arises from either an individual or group of individual dealers of the Bank, who through non-compliant behaviour and/or behaviour that lack integrity or honesty, subjects the Bank to adverse consequences in terms of monetary losses, reputational damage and regulatory fines.

Independent market conduct risk monitoring and surveillance is carried out to detect attempts on market misconduct by Global Markets. Management oversight on market conduct is effected through the Risk and Compliance Governance Committee ("RCGC"). A robust and comprehensive market conduct surveillance policy has been established by the Bank to ensure all activities in Global Markets are in conformity with market best practices and compliance requirements, which is reviewed and concurred by the RCGC, endorsed by the BRMC and approved by the Board.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(D) Liquidity risk

Liquidity risk is the risk of financial loss arising from the inability to fund increases in assets and/or meet financial obligations as they fall due. Financial obligations arise from withdrawal of deposits, funding of loans committed and repayment of borrowed funds. It is the Bank's policy to ensure there is adequate liquidity across all business units to sustain ongoing operations, as well as sufficient liquidity to fund asset growth and strategic opportunities.

Besides adhering to the Regulatory Liquidity Requirements, the Bank has put in place a robust and comprehensive liquidity risk management framework consisting of risk appetite, policies, triggers and controls which are reviewed and concurred by the Group ALCO, endorsed by the BRMC and approved by the Board. The key elements of the framework cover proactive monitoring and management of cashflow, maintenance of high quality liquid assets, diversification of funding sources and maintaining a liquidity compliance buffer to meet any unexpected cash outflow.

The Bank has in place a liquidity contingency funding plan and stress test programs to minimise the liquidity risk that may arise due to unforeseen adverse changes in the marketplace. The contingency funding plan sets out the crisis escalation process, various strategies to be employed to preserve liquidity and includes an orderly communication channel during liquidity crisis scenarios. Liquidity stress tests are conducted regularly to ensure there are adequate liquidity contingency fund to meet any shortfalls during liquidity crisis scenarios.

(E) Operational risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events which also include outsourcing and business continuity risks.

Management oversight on Operational Risk Management ("ORM") matters are effected through the Risk & Compliance Governance Committee ("RCGC") whilst Board oversight is effected through the BRMC.

The Bank's ORM strategy is based on a framework of continuous improvements, good governance structure, policies and procedures as well as the employment of risk mitigation strategies. The objective is to create a strong risk and internal control culture by ensuring awareness of the significance of operational risk, its methodology of identification, analysis, assessment, control and monitoring.

The Bank adopts ORM tools such as loss event reporting, risk and control self assessment and key risk indicators to manage operational risks and are used to assess risk by taking into consideration key business conditions, strategies and internal controls. The ultimate aim is to enhance economic performance, achievement of corporate goals and the aspirations of stakeholders.

4. RISK MANAGEMENT (CONTINUED)

(E) Operational risk (continued)

These tools are based on international best practices for the management of operational risks and are explained in more detail below:

(i) Risk and Control Self Assessment ("RCSA") is an assessment process on severity of potential risk and control effectiveness.

(ii) Key Risk Indicators ("KRI") is a set of measures to allow the Bank to monitor and facilitate early detection of operational risks.

(iii) Loss Event Reporting ("LER") is a process for collecting and reporting operational risk events. These are further used for analysis of operational risks for the purpose of developing mitigating controls.

The operational risk mitigation strategies that are implemented include:

(i) Policies and Standard Operating Procedures that define the roles and responsibilities of personnel and their respective operating limits.

(ii) Insurance against operational losses as a form of risk mitigation especially for risks which are deemed as high severity.

(iii) System of controls, established to provide reasonable assurance of effective and efficient operation.

(iv) Business Continuity Management to facilitate the continuance of business activities in the event of disaster or crisis situations by means of ensuring appropriate redundancy of systems are available.

(v) Outsourcing Management to ensure proper due diligence review is performed prior to engaging outsourced service providers and continuous tracking of existing outsourced service providers' performance, code of conduct, compliance, and business viability.

(F) Financial hedges to mitigate interest rate risks

The following actions describe the accounting treatment for financial hedges that may be entered into to mitigate the interest rate risk exposures of the Bank.

(i) Financial instruments designated as fair value through profit and loss

The Bank uses derivative hedge instruments, such as interest rate swaps to undertake economic hedges on part of their existing fixed rate loans to reduce the exposure on interest rate risk as part of its risk management strategy.

(ii) Fair value hedges

The Bank uses interest rate swap as the hedge instruments to hedge the interest rate risk of fixed rate loans exposure. The interest rate swap contracts used for the hedging are contracted with other financial institutions.

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

4. RISK MANAGEMENT (CONTINUED)

(F) Financial hedges to mitigate interest rate risks (continued)

The following actions describe the accounting treatment for financial hedges that may be entered into to mitigate the interest rate risk exposures of the Bank. (continued)

(iii) Cash flow hedges

The Bank uses interest rate swaps as hedge instruments to hedge the variability of future cash flows on fixed deposits.

(iv) The accounting policies on derivative financial instruments and hedge accounting are disclosed in Note to the financial statements.

5. EQUITY EXPOSURES IN BANKING BOOK

The Bank's banking book's equity investments consist of equity holdings in organisations which are set up for specific socio-economic reasons, equity holdings and equity instruments received as a result of loan/financing restructuring or loan/financing conversion.

The Bank's banking book's equity investments are classified and measured in accordance with MFRS 9 and are categorised as financial investments at fair value through other comprehensive income. Refer to Note 2D to the financial statements for the accounting policies of the Bank.

Details of the Bank's financial investments at fair value through other comprehensive income are set out in Note 6 to the financial statements.

The following table summarises the Group's and the Bank's equity exposures in the banking book:

	The Group		The Bank	
	Exposures subject to risk-weighting RM'000	Risk weights %	Exposures subject to risk-weighting RM'000	Risk weights %
30 June 2026				
Financial investments at fair value through other comprehensive income				
Quoted equity securities	**194,936**	**100%**	**194,936**	**100%**
Unquoted equity securities	**193,896**	**150%**	**193,896**	**150%**
	388,832		**388,832**	
30 June 2025				
Financial investments at fair value through other comprehensive income				
Unquoted equity securities	162,181	150%	162,181	150%

There are no unrealised gains/(losses) for equity securities that have not been reflected in the statements of income of the Group and the Bank but have been recognised under other comprehensive income of the Group and the Bank for the financial year ended 30 June 2026.

6. INTEREST RATE RISK/RATE OF RETURN RISK IN THE BANKING BOOK ("IRRBB"/"RORRBB")

The Bank evaluates the impact of IRRBB/RORRBB via the earnings and the underlying economic value perspectives.

The earnings perspective focuses on the short-term effect of IRRBB/RORRBB via reduction in earnings arising from changes in interest rate/rate of returns. Components affecting the earnings perspective include the timing of repricing, yield curve risk and option positions.

The economic value perspective focuses on the long-term impact of IRRBB/RORRBB. This perspective evaluates changes in the Bank's economic value by present valuing the Bank's future cash flows. The future cash flow projections are used to estimate economic exposures and provides a pro forma estimate of the future income generated by the Bank's current position. In general, measuring the present value of instruments will be able to provide an overview of the Bank's economic value of equity ("EVE") over a longer time period.

	Impact on positions 100 basis points parallel shift	
The Group	**Increase/(Decline) in Earnings RM'000**	**Increase/(Decline) in Economic Value RM'000**
30 June 2026		
100 bps upward		
Ringgit Malaysia	**86,090**	**304,713**
100 bps downward		
Ringgit Malaysia	**(284,022)**	**(338,952)**
30 June 2025		
100 bps upward		
Ringgit Malaysia	156,403	273,180
100 bps downward		
Ringgit Malaysia	(333,808)	(306,635)

BASEL II PILLAR 3 DISCLOSURES

for the financial year ended 30 June 2026

6. INTEREST RATE RISK/RATE OF RETURN RISK IN THE BANKING BOOK ("IRRBB"/"RORRBB") (CONTINUED)

The Bank	Impact on positions 100 basis points parallel shift	
	Increase/(Decline) in Earnings RM'000	Increase/(Decline) in Economic Value RM'000
30 June 2026		
100 bps upward		
Ringgit Malaysia	**123,027**	**516,931**
100 bps downward		
Ringgit Malaysia	**(281,092)**	**(558,592)**
30 June 2025		
100 bps upward		
Ringgit Malaysia	175,824	515,597
100 bps downward		
Ringgit Malaysia	(317,585)	(556,972)

7. SHARIAH GOVERNANCE DISCLOSURE

Shariah non-compliance risk is the risk of legal or regulatory sanctions, financial loss, or non-financial implications including reputational damage that arises from failure of adhering to the rulings of Shariah Advisory Council ("SAC") of Bank Negara Malaysia ("BNM"), standards on Shariah matters issued by BNM, or decisions or advice of the Shariah Committee ("SC") of Hong Leong Islamic Bank ("HLISB").

HLISB has enhanced its own Board Policy on Shariah Governance ("BPSG") to align with the BNM's Policy Document on Shariah Governance ("SGPD") for Islamic financial institutions in 2019. The BPSG aims to ensure that the structure and management of Shariah governance matters in HLISB is of the highest standard and in line with SGPD and Islamic Financial Services Act 2013. The BPSG governs and guides HLISB on the on-going development and enhancement of its Shariah governance functions and infrastructure which includes interaction, effective communication, and reporting. It forms the foundation upon which Shariah governance policies are to be developed, Shariah governance structure is to be operated in, and Shariah governance initiatives are to be carried out.

Management oversight on Shariah non-compliance risk matters is effected through HLISB's Risk & Compliance Governance Committee ("RCGC-i"), whilst Board oversight is effected through HLISB's Board Risk Management Committee ("BRMC") and HLISB's SC.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighty-Fifth Annual General Meeting ("AGM") of Hong Leong Bank Berhad ("Bank") will be held at Wau Bulan 2, Level 2, Sofitel Kuala Lumpur Damansara, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur on Monday, 26 October 2026 at 10.00 a.m. in order:

1. To lay before the meeting the audited financial statements together with the reports of the Directors and Auditors thereon for the financial year ended 30 June 2026.

2. To approve the payment of Director Fees of RM1,458,726 for the financial year ended 30 June 2026 to be divided amongst the Directors in such manner as the Directors may determine. **(Resolution 1)**

3. To approve the payment of Directors' Other Benefits of up to an amount of RM450,000 from the Eighty-Fifth AGM to the Eighty-Sixth AGM of the Bank. **(Resolution 2)**

4. To re-elect the following Directors pursuant to the Bank's Constitution:

   (a) YBhg Tan Sri Quek Leng Chan **(Resolution 3)**
   (b) YBhg Datuk Manharlal A/L Ratilal **(Resolution 4)**
   (c) Puan Marzida binti Mohd Noor **(Resolution 5)**

5. To re-appoint PricewaterhouseCoopers PLT as Auditors of the Bank and to authorise the Directors to fix their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

As special business, to consider and, if thought fit, pass the following motions as resolutions:

6. **Ordinary Resolution**
   - Authority to Directors to Allot Shares

   "**THAT** subject to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ["MMLR"], the Bank's Constitution and approval of the relevant governmental regulatory authorities, if required, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Act to issue and allot new shares in the Bank, grant rights to subscribe for shares in the Bank, convert any security into shares in the Bank, or allot shares under an agreement or option or offer at any time and from time to time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, to any persons who are not caught by Paragraph 6.04(c) of the MMLR, provided that the aggregate number of shares issued and alloted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted, under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Bank for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so allotted on Bursa Securities and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Bank." **(Resolution 7)**

NOTICE OF ANNUAL GENERAL MEETING

7. **Ordinary Resolution**
   - **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Hong Leong Company (Malaysia) Berhad ("HLCM"), GuoLine Capital Assets Limited ("GCA") and Persons Connected with them**

"**THAT** approval be and is hereby given for the Bank and/or its subsidiaries to enter into any of the transactions falling within the types of recurrent related party transactions of a revenue or trading nature as disclosed in Section 2.3 (A) and (B) of the Bank's Circular to Shareholders dated 25 September 2026 ("the Circular") with HLCM, GCA and persons connected with them ("Hong Leong Group"), as set out in Appendix II of the Circular provided that such transactions are undertaken in the ordinary course of business, on arm's length basis and on commercial terms which are not more favourable to the Hong Leong Group than those generally available to and/or from the public and are not, in the Bank's opinion, detrimental to the minority shareholders;

AND THAT such approval shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Bank at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or

(b) the expiration of the period within which the next AGM of the Bank after that date is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier;

AND THAT the Directors of the Bank be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution." **(Resolution 8)**

8. To consider any other business of which due notice shall have been given.

By Order of the Board

JACK LEE TIONG JIE
(MAICSA 7060133)
(SSM PC No. 202008001704)
Group Company Secretary

Kuala Lumpur
25 September 2026

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 19 October 2026 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.

2. Save for a member who is an exempt authorised nominee, a member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote in his stead. A proxy may but need not be a member of the Bank. A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Bank standing to the credit of the said securities account. A member who is an exempt authorised nominee which holds ordinary shares of the Bank for multiple beneficial owners in one securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.

3. Where two (2) or more proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid.

4. The Form of Proxy must be deposited at the Registered Office of the Bank at Level 30, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur or lodged electronically via email at cosec-hlfg@hongleong.com.my, not less than forty-eight (48) hours before the time appointed for holding of the meeting or adjourned meeting.

5. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to a vote by way of a poll.

EXPLANATORY NOTES

1. Resolution 1 on Director Fees

Director Fees of RM1,458,726 are inclusive of Board Committee Fees of RM519,000 and Meeting Allowances of RM236,000.

2. Resolution 2 on Directors' Other Benefits

Directors' Other Benefits refer to Directors' & Officers' Liability Insurance coverage based on premium paid/payable and Directors' training benefits of up to RM450,000.

3. Resolutions 3, 4, and 5 on Re-election of Directors

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee ("NRC") of the Bank, supports the re-election of the retiring Directors. The NRC had reviewed the results of the Board Annual Assessment conducted for the financial year ended 30 June 2026 and noted that YBhg Tan Sri Quek Leng Chan, YBhg Datuk Manharlal A/L Ratilal and Puan Marzida binti Mohd Noor have effectively discharged their duties and responsibilities. The NRC had also conducted assessment on the fitness and propriety of YBhg Tan Sri Quek Leng Chan, YBhg Datuk Manharlal A/L Ratilal and Puan Marzida binti Mohd Noor, including the review of their Fit and Proper ("F&P") Declarations and results of their background checks, and was satisfied that they met the F&P criteria as set out in the F&P Policy for Directors and Chief Executive Officer of the Bank. In addition, the NRC had assessed the declarations made by YBhg Datuk Manharlal A/L Ratilal and Puan Marzida binti Mohd Noor confirming that they fulfilled the Independent Director criteria as set out in the relevant regulatory requirements, and found it to be in order.

The retiring Directors had abstained from deliberations and decisions on their re-election at the NRC and Board of Directors meetings, as applicable.

NOTICE OF ANNUAL GENERAL MEETING

The profiles and details of the retiring Directors are set out in the Board of Directors' Profile section of the Bank's 2026 Annual Report.

Encik Alan Hamzah Sendut, who is due to retire pursuant to the Bank's Constitution, has indicated that he will not seek re-election at the Eighty-Fifth AGM. Accordingly, he will retire from office upon the conclusion of the Eighty-Fifth AGM.

4. Resolution 7 on Authority to Directors to Allot Shares

The proposed Ordinary Resolution, if passed, will renew the general mandate given to the Directors of the Bank to allot ordinary shares ("Shares") of the Bank from time to time and expand the mandate to grant rights to subscribe for Shares in the Bank, convert any security into Shares in the Bank, or allot Shares under an agreement or option or offer, provided that the aggregate number of Shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued Shares (excluding treasury shares) of the Bank for the time being ("Renewed General Mandate"). In computing the aforesaid 10% limit, Shares issued or agreed to be issued or subscribed pursuant to the approval of shareholders in a general meeting where precise terms and conditions are approved shall not be counted. The Renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Bank.

As at the date of this Notice, no new Shares in the Bank were issued and allotted pursuant to the general mandate given to the Directors at the last AGM held on 27 October 2025 and which will lapse at the conclusion of the Eighty-Fifth AGM. The Renewed General Mandate will enable the Directors to take swift action in case of, inter alia, a need for corporate exercises or business opportunities or other circumstances arising or compliance with regulatory requirements which involve the issuance and allotment of new Shares, grant of rights to subscribe for Shares, conversion of any security into Shares, or allotment of Shares under an agreement or option or offer, in order to avoid delay and cost in convening general meetings to approve the same.

5. Resolution 8 on Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution, if passed, will empower the Bank and its subsidiaries ("HLB Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for HLB Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to Hong Leong Group than those generally available to the public and are not, in the Bank's opinion, detrimental to the minority shareholders of the Bank ("Proposed Shareholders' Mandate").

Detailed information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 25 September 2026 which is available on the Bank's corporate website (*https://www.hlb.com.my/agm2026*).

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- **Details of individuals who are standing for election as Directors**

No individual is standing for election as a Director at the forthcoming Eighty-Fifth Annual General Meeting of the Bank.

- **Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

Details of the general mandate to issue securities in the Bank pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note 4 of the Notice of Eighty-Fifth Annual General Meeting.

OTHER INFORMATION

1. MATERIAL CONTRACTS

There are no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by the Bank and its subsidiaries involving the interest of Directors, chief executives and major shareholders, either still subsisting at the end of the financial year or entered into since the end of the previous financial year pursuant to Item 21, Part A, Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

2. ANALYSIS OF SHAREHOLDINGS AS AT 1 SEPTEMBER 2026

Total number of issued shares	: 2,167,718,284
Adjusted total number of issued shares (after deducting treasury shares pursuant to Section 127 of the Companies Act 2016)	: 2,086,616,584
Class of shares	: Ordinary shares
Voting rights	: 1 vote for each share held

Distribution Schedule of Shareholders as at 1 September 2026

Size of Holdings	No. of Shareholders	%	No. of Shares*	%
Less than 100	799	5.86	14,535	0.00
100 – 1,000	4,806	35.25	2,485,614	0.12
1,001 – 10,000	6,288	46.12	21,546,500	1.03
10,001 – 100,000	1,289	9.46	39,661,917	1.90
100,001 – less than 5% of issued shares	449	3.29	519,329,290	24.89
5% and above of issued shares	2	0.02	1,503,578,728	72.06
	13,633	100.00	2,086,616,584	100.00

* Excluding 81,101,700 shares bought back and retained by the Bank as treasury shares

List of Thirty Largest Shareholders as at 1 September 2026

Name of Shareholders	No. of Shares	%
1. Hong Leong Financial Group Berhad	1,340,137,681	64.23
2. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	163,441,047	7.83
3. Kumpulan Wang Persaraan (Diperbadankan)	50,096,442	2.40
4. RHB Trustees Berhad - Exempt AN for Hong Leong Bank Berhad (HLB-ESS 2022)	36,076,003	1.73
5. AmanahRaya Trustees Berhad - Amanah Saham Bumiputera	22,379,200	1.07
6. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (AHAM AM)	14,381,100	0.69
7. CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Rakaman Anggun Sdn Bhd (PB)	14,254,300	0.68
8. Permodalan Nasional Berhad	12,565,100	0.60
9. AmanahRaya Trustees Berhad - Amanah Saham Malaysia	10,556,500	0.51
10. Pertubuhan Keselamatan Sosial	9,972,200	0.48
11. Citigroup Nominees (Tempatan) Sdn Bhd - Exempt AN for AIA Bhd	9,477,524	0.45

OTHER INFORMATION

2. ANALYSIS OF SHAREHOLDINGS AS AT 1 SEPTEMBER 2026 (CONTINUED)

List of Thirty Largest Shareholders as at 1 September 2026 (continued)

Name of Shareholders	No. of Shares	%
12. HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Total International Stock Index Fund	9,046,282	0.43
13. Cartaban Nominees (Tempatan) Sdn Bhd - Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	8,892,400	0.43
14. HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Emerging Markets Stock Index Fund	8,749,072	0.42
15. Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	8,566,700	0.41
16. AmanahRaya Trustees Berhad - Amanah Saham Bumiputera 2	8,000,000	0.38
17. Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Citibank New York (Norges Bank 19)	7,623,864	0.37
18. Citigroup Nominees (Asing) Sdn Bhd - CBNY For Ishares Core MSCI Emerging Markets ETF	7,427,200	0.36
19. HLIB Nominees (Tempatan) Sdn Bhd - Chew Brothers Development Corporation Sdn Bhd	6,485,863	0.31
20. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Aberdeen)	5,956,000	0.29
21. HSBC Nominees (Asing) Sdn Bhd - BNP Paribas Financial Markets	5,919,866	0.28
22. HLB Nominees (Asing) Sdn Bhd - Kwek Leng Hai (Custodian)	5,510,000	0.26
23. HSBC Nominees (Asing) Sdn Bhd - HSBC-FS G for People's Bank of China (SICL Asia EM)	5,404,596	0.26
24. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (F Templeton)	4,987,500	0.24
25. HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts	4,942,520	0.24
26. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (CIMB Prin)	4,700,050	0.22
27. HSBC Nominees (Asing) Sdn Bhd - JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	4,625,700	0.22
28. Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (RHB Inv)	4,201,000	0.20
29. AmanahRaya Trustees Berhad - Amanah Saham Malaysia 3	3,659,300	0.18
30. Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (Par 3)	3,129,140	0.15
	1,801,164,150	86.32

2. ANALYSIS OF SHAREHOLDINGS AS AT 1 SEPTEMBER 2026 (CONTINUED)

Substantial Shareholders

According to the Register of Substantial Shareholders, the substantial shareholders of the Bank as at 1 September 2026 are as follows:

	Direct		Indirect	
Name of Shareholders	**No. of Shares**	**%**	**No. of Shares**	**%**
Hong Leong Financial Group Berhad	1,340,137,681	64.23	3,057,504	0.15[(a)]
Hong Leong Company (Malaysia) Berhad	–	–	1,343,195,185	64.37[(b)]
HL Holdings Sdn Bhd	–	–	1,343,195,185	64.37[(c)]
Tan Sri Quek Leng Chan	55,080	[#]	1,345,971,529	64.50[(d)]
Hong Realty (Private) Limited	–	–	1,345,971,529	64.50[(d)]
Hong Leong Investment Holdings Pte Ltd	–	–	1,345,971,529	64.50[(d)]
Kwek Holdings Pte Ltd	–	–	1,345,971,529	64.50[(d)]
Kwek Leng Beng	–	–	1,345,971,529	64.50[(d)]
Davos Investment Holdings Private Limited	–	–	1,345,971,529	64.50[(d)]
Kwek Leng Kee	282,344	0.01	1,345,971,529	64.50[(d)]
GuoLine Overseas Limited	–	–	1,343,195,185	64.37[(b)]
Guoco Group Limited	–	–	1,343,195,185	64.37[(b)]
GuoLine Capital Assets Limited	–	–	1,343,195,185	64.37[(b)]
Employees Provident Fund Board	201,590,497	9.64	–	–

Notes:
[(a)] Held through subsidiary
[(b)] Held through Hong Leong Financial Group Berhad (HLFG)
[(c)] Held through Hong Leong Company (Malaysia) Berhad ("HLCM")
[(d)] Held through HLCM and company(ies) in which the substantial shareholder has interests
[#] Negligible

3. DIRECTORS' INTERESTS AS AT 1 SEPTEMBER 2026

Subsequent to the financial year end, there is no change, as at 1 September 2026, to the Directors' interests in the ordinary shares, preference shares, debentures and/or options over ordinary shares of the Bank and/or its related corporations (other than wholly-owned subsidiaries), appearing in the Directors' Report on pages 163 to 164 as recorded in the Register of Directors' Shareholdings kept by the Bank under Section 59 of the Companies Act 2016.

4. GROUP MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER'S INTEREST AS AT 1 SEPTEMBER 2026

Direct Interest	**Number of ordinary shares**	**%**
Mr Kevin Lam Sai Yoke	460,633	0.02
	2,976,527[#]	N/A

[#] Free ordinary shares to be vested pursuant to the Executive Share Scheme of HLB

OTHER INFORMATION

HLBB LIST OF PROPERTIES HELD AS AT 30 JUNE 2026

	Location	Tenure	Description of property held	Gross Area (Sq-ft)	Age (Years)	Net book value (RM'000)	Date of Acquisition
1	No. 1, Light Street, Georgetown, 10200 Pulau Pinang	Freehold	Branch premises	20,594	92	7,382	30/12/1986
2	No. 15-G-1, 15-1-1 & 15-2-1, Medan Kampung Relau, Bayan Point, 11900 Pulau Pinang	Freehold	Branch premises	9,968	27	1,897	26/06/1997
3	No. 42, Jalan Pending, 93450 Kuching, Sarawak	Leasehold (31/12/2779) - 754/859 years	Branch premises	4,425	44	968	27/12/1983
4	No. 133, 135 & 137, Jalan Kampong Nyabor, 96000 Sibu, Sarawak	Freehold	Branch premises	4,871	34	2,655	28/12/1992
5	Jungle land at Sungai Limut Rajang, Sarawak Occupation Ticket, 612 of 1931	Leasehold (31/12/2026) - 1/99 years	Jungle land	1,217,938	n/a	1	31/12/1938
6	No. 25 & 27, Jalan Tun Ismail, 25000 Kuantan, Pahang Darul Makmur	Freehold	Branch premises	1,600	35	962	29/06/1996
7	No. 69, 70 & 71, Jalan Dato' Bandar Tunggal, 70000 Seremban, Negeri Sembilan Darul Khusus	Freehold	Branch premises	6,000	Pre-war	1,314	27/12/1994
8	No. 26, Lorong Rahim Kajai 14, Taman Tun Dr Ismail, 60000 Kuala Lumpur	Freehold	Branch premises	3,750	40	452	30/12/1986
9	No. 120-122, Jalan Mersing, 86000 Kluang, Johor Darul Takzim	Leasehold	Branch premises	3,355	60	411	31/05/1990
10	No. 100, Jalan Gurney, 72100 Bahau, Negeri Sembilan Darul Khusus	Freehold	Branch premises	5,107	40	1,770	25/06/1992
11	No. 12, 14 & 16, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor Darul Takzim	Freehold	Branch premises	4,174	35	3,218	25/06/1992
12	No. 24, Medan Taming 2, Taman Taming Jaya, 43300 Balakong, Selangor Darul Ehsan	Freehold	Branch premises	3,037	30	847	28/04/1997
13	No. 1, Jalan Takal 15/21, Seksyen 15, 40000 Shah Alam, Selangor Darul Ehsan	Leasehold (29/6/2086) - 61/99 years	Branch premises	2,625	39	951	26/06/1997
14	Lots 3594 & 3595, Jalan Baru Pak Sabah, 23000 Dungun, Terengganu Darul Iman	Leasehold (8/4/2082) - 57/84 years	Branch premises	3,199	32	158	26/06/1997

OTHER INFORMATION

	Location	Tenure	Description of property held	Gross Area (Sq-ft)	Age (Years)	Net book value (RM'000)	Date of Acquisition
15	Lot 3073 & 3074, Jalan Abang Galau, 97000 Bintulu, Sarawak	Leasehold (12/2/2056) - 31/60 years	Branch premises	2,582	29	733	26/06/1997
16	Lot 34, Putra Industrial Park, 47000 Sungai Buloh, Selangor Darul Ehsan	Freehold	Warehouse	96,219	30	2,445	26/01/1995
17	No. 1540, Jalan Sultan Badlishah, 05000 Alor Setar, Kedah Darul Aman	Leasehold (28/02/2028) - 3/55 years	Vacant	10,619	52	4	30/06/1977
18	No. 9A & 9B, Jalan Kampong Baru, 08000 Sungai Petani, Kedah Darul Aman	Freehold	Branch premises	9,320	33	641	01/01/1994
19	No. 45, Jalan Burma, 10500 Pulau Pinang	Freehold	Vacant	14,277	48	1,543	24/11/1978
20	No. 55-57, Jalan Yang Kalsom, 30250 Ipoh, Perak Darul Ridzuan	Freehold	Vacant	11,720	47	799	01/10/1984
21	No. 27, Jalan Dewangsa, 31000 Batu Gajah, Perak Darul Ridzuan	Leasehold (26/2/2078) - 53/79 years	Branch premises	4,694	31	199	24/11/1995
22	No. 75, Jalan Sultan Idris Shah, 30000 Ipoh, Perak Darul Ridzuan	Freehold	Branch premises	1,900	29	546	15/06/1998
23	No. 80 & 82, Jalan Othman 1/14, 46000 Petaling Jaya, Selangor Darul Ehsan	Leasehold (15/6/2089) - 64/90 years	Branch premises	9,062	36	677	01/06/1994
24	No. 19, Jalan 54, Desa Jaya, 52100 Kepong, Selangor Darul Ehsan	Leasehold (8/3/2081) - 56/99 years	Branch premises	5,859	44	281	29/11/1985
25	No. 109, Main Road, 83700 Yong Peng, Johor Darul Takzim	Freehold	Branch premises	2,740	38	193	01/09/1988
26	No. 1, Bentong Heights, 28700 Bentong, Pahang Darul Makmur	Freehold	Branch premises	5,432	58	25	30/06/1977
27	No. 36, Main Road Tanah Rata, 39000 Cameron Highland, Pahang Darul Makmur	Leasehold (24/11/2039) - 14/99 years	Branch premises	1,728	86	48	30/08/1982
28	W-1-0, W-2-0 & W-1-1, Subang Square Business Centre, Jalan SS15/4G, 47500 Subang Jaya, Selangor Darul Ehsan	Freehold	Branch premises	4,545	27	893	18/12/1999
29	No. 2828-G-02 & 2828-1-02, Jalan Bagan Luar, 12000 Butterworth, Pulau Pinang	Freehold	Vacant	12,173	27	1,700	18/12/1999

OTHER INFORMATION

	Location	Tenure	Description of property held	Gross Area (Sq-ft)	Age (Years)	Net book value (RM'000)	Date of Acquisition
30	Plot No 20, Jalan Bidor Raya, 35500 Bidor, Perak Darul Ridzuan	Freehold	Branch premises	3,243	27	417	23/11/1999
31	No. 1, Persiaran Greentown 2, Greentown Business Centre, 30450 Ipoh, Perak Darul Ridzuan	Leasehold (21/11/2094) - 69/99 years	Branch premises	7,870	26	1,140	23/11/1999
32	Lots 39 & 40, Kompleks Munshi Abdullah, 75100 Melaka	Leasehold (24/2/2084) - 59/99 years	Branch premises	5,988	27	915	31/05/1991
33	No. 1 & 2 Jalan Raya, 09800 Serdang, Kedah Darul Aman	Freehold	Branch premises	5,840	25	320	20/09/2000
34	No. 133 & 135, Jalan Gopeng, 31900 Kampar, Perak Darul Ridzuan	Freehold	Branch premises	4,700	25	296	13/12/2000
35	No. 65-67, Jalan Tun HS Lee, 50000 Kuala Lumpur	Freehold	HLB's CSR Community Center	2,223	30	4,558	14/10/1996
36	No. 64, Jalan Tun Mustapha, 87007 Labuan	Leasehold (28/12/2881) - 856/999 years	Branch premises	1,370	35	323	30/05/1991
37	No. 114 & 116, Jalan Cerdas, Taman Connaught, 56000 Kuala Lumpur	Leasehold (16/10/2078) - 53/99 years	Branch premises	12,200	20	3,019	07/06/2006
38	Lot A08-A09, Jalan SS 6/5A Dataran Glomac, Pusat Bandar Kelana Jaya, 47301 Petaling Jaya	Freehold	Branch premises	9,800	20	2,378	06/07/2006
39	No. 2 Jalan Puteri 2/4, Bandar Puteri, Puchong, 47100 Selangor Darul Ehsan	Freehold	Branch premises	11,850	19	4,747	28/06/2007
40	Tower A, PJ City Development, 46100 Petaling Jaya, Selangor	Leasehold (14/08/2094) - 69/99 years	Branch premises	194,489	18	62,165	21/07/2008
41	OUG, No.2, Lorong 2/137C, Off Jalan Kelang Lama, 58200 Kuala Lumpur	Leasehold (year 2088) - 63/99 years	Branch Premises	17,300	16	3,962	01/04/2011
42	KEP, Lot No 77C & 77D, Lot No.58529 Jalan Kepong, 52100 Kuala Lumpur	Leasehold - (7/01/2101) - 76/99 years	Branch Premises	30,613	16	7,176	01/05/2011
43	No. 122, Kapit By-Pass, 96807 Kapit, Sarawak	Leasehold (29/4/2045) - 20/60 years	Branch Premises	1,200	33	141	30/04/1985
44	No. 12A, Block B, Level 2, Fraser's Hill, Condominium, 49000 Bukit Fraser's, Pahang Darul Makmur	Leasehold (23/05/2082) - 57/99 years	1 unit apartment (Vacant)	1,792	39	62	24/05/1983

OTHER INFORMATION

	Location	Tenure	Description of property held	Gross Area (Sq-ft)	Age (Years)	Net book value (RM'000)	Date of Acquisition
45	No. 9, Jalan Cheng Lock, 50000 Kuala Lumpur, Wilayah Persekutuan	Freehold	Vacant	2,199	53	247	18/09/1972
46	No. 3, Jalan Bandar Satu, Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan	Freehold	Branch Premises	4,687	31	1,477	03/04/1997
47	No. 26 & 27, Jalan Kenari 1, Bandar Puchong Jaya, 47100 Puchong, Selangor Darul Ehsan	Freehold	Branch Premises	3,600	30	1,186	22/01/1999
48	No. 2, Jalan PJU 5/8, Dataran Sunway, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	Leasehold (23/11/2100) - 75/99 years	Branch Premises	12,892	22	2,898	12/02/2005
49	No. J09-6 and J02-06, Paradise Lagoon Holiday, Apartment, Batu 3 1/2 Jalan Pantai, 70100 Port Dickson, Negeri Sembilan Darul Khusus	Leasehold (7/6/2087) - 62/99 years	2 units apartment	2,088	30	132	21/04/1994
50	No. S-3, Kompleks Negeri, Jalan Dr. Krishnan, 70000 Seremban, Negeri Sembilan Darul Khusus	Leasehold (30/01/2078) - 53/99 years	Vacant	1,680	42	180	29/06/1981
51	No. 105 & 107, Jalan Melaka Raya 24, Taman Melaka Raya, 75000 Melaka	Leasehold (20/3/2094) - 69/99 years	Vacant	3,132	30	360	17/04/1998
52	No. 67 & 69, Jalan Merdeka, 75000 Taman Merdeka Raya, Melaka	Leasehold (7/7/2093) - 68/99 years	Branch Premises	3,080	31	538	15/08/1999
53	No. 35, 37 & 39, Jalan Johor Satu, Taman Desa Cemerlang, 81800 Ulu Tiram, Johor Darul Takzim	Freehold	Branch Premises	13,965	23	1,647	12/02/2003
54	No. 21, Jalan Permas 10/1, Bandar Baru Permas Jaya, 81750 Masai, Johor Darul Takzim	Freehold	Branch Premises	2,624	29	795	05/04/1999
55	No. B-278 & B-280, Jalan Beserah, 25300 Kuantan, Pahang Darul Makmur	Freehold	Branch Premises	3,208	25	1,168	04/08/1999
56	No. 31, 33, 35 & 37, Jalan Usahaniaga 1, Taman Niagajaya, 14000 Bukit Mertajam, Seberang Perai Tengah, Penang	Freehold	Branch Premises	15,844	23	1,039	10/07/2003

OTHER INFORMATION

	Location	Tenure	Description of property held	Gross Area (Sq-ft)	Age (Years)	Net book value (RM'000)	Date of Acquisition
57	Lot 171, Jalan Council, 95000 Bandar Sri Aman, Sarawak	Leasehold (20/06/2050) - 25/60 years	Branch Premises	1,740	30	90	21/06/1990
58	Lot No. 2013, Jalan Pisang Barat, 93150 Kuching, Sarawak	Leasehold (31/12/2038) - 13/99 years	Storage	1,390	33	-	23/09/1992
59	No: 3/G14, 3/G15 & 3/G16, Block 3, Lorong Api-Api 2, Api-Api Centre, 88000 Kota Kinabalu, Sabah	Leasehold (31/12/2086) - 61/99 years	Branch Premises	4,141	31	1,231	04/02/1997
60	No. 177, Limbok Hill, 70000 Seremban, Negeri Sembilan Darul Khusus	Freehold	Single-storey Detached house	6,730	53	9	16/08/1972
61	No. 11, Jalan Emas 2, Taman Emas Cheras, 43200 Cheras, Selangor	Freehold	Vacant	5,804	33	-	25/05/1993
62	No. 53 & 55, Jalan Sultan Ismail, 50250 Kuala Lumpur	Freehold	Branch Premises	9,600	29	17,315	01/06/2015
63	No. 300, Jalan Jelutong, 11600 Pulau Pinang	Freehold	Branch Premises	16,652	24	11,648	23/06/2015
64	Lot 1, Block 35, Fajar Commercial Complex, Jalan Lembaga, 91000 Tawau, Sabah	Leasehold (31/12/2895) - 870/998 years	Branch Premises	13,880	54	4,374	17/08/2015
65	Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur	Freehold	Head Office/ Branch	668,331	11	504,352	03/07/2015
66	01-01, 01-02, 01-03, 01-05, Blok D, Komersil Southkey Mozek, Persiaran Southkey 1, Kota Southkey, 80150, Johor Bahru	Leasehold (21/2/2100) - 75/99 years	Branch	18,317	8	13,390	16/11/2018
67	No. 8, Jalan 3/5-C, Taman Setapak, Indah Jaya, Off Jalan Genting Klang, 53300 Kuala Lumpur	Leasehold (28/8/2086) - 61/99 years	Branch	6,908	8	1,880	13/09/2018
68	No. Hakmilik 1205, No Lot 4057 Mukim 06 Daerah Seberang Perai Tengah, Pulau Pinang.	Freehold	Vacant	65,340	5	10,342	25/02/2021

NETWORK OF BRANCHES

BRANCHES AS AT 30 JUNE 2026

FEDERAL TERRITORY KUALA LUMPUR

1 Level 1, Wisma Hong Leong,
18, Jalan Perak,
50450 Kuala Lumpur

2 No. 34, 36 & 38, Jalan Petaling,
50000 Kuala Lumpur

3 No. 2-0, Lorong 2/137C,
Off Jalan Klang Lama,
58200 Kuala Lumpur

4 No. 26, Lorong Rahim Kajai 14,
Taman Tun Dr Ismail,
60000 Kuala Lumpur

5 No. 77C & D,
Lot 58529, Jalan Kepong,
52100 Kuala Lumpur

6 No. 31 & 33, Jalan 1/116 B,
Kuchai Entrepreneurs Park,
Off Jalan Kuchai Lama,
58200 Kuala Lumpur

7 No. 37, Jalan Telawi 3, Bangsar Baru,
59100 Kuala Lumpur

8 No. 8 & 10, Jalan 3/50C,
Taman Setapak Indah Jaya,
Off Jalan Genting Klang,
53300 Kuala Lumpur

9 No. 114 & 116, Jalan Cerdas,
Taman Connaught, Cheras,
56000 Kuala Lumpur

10 No. 468-B2(A), Blok B, Ground Floor,
Rivercity 3rd Mile Jalan Ipoh,
51200 Kuala Lumpur

11 180-0-7 & 180-0-8, Wisma Mahkota,
Taman Maluri, Cheras,
55100 Kuala Lumpur

12 No. 2, Jalan Rampai Niaga 1,
Rampai Business Park,
Taman Sri Rampai,
53300 Kuala Lumpur

13 No. 44 & 46, Block A,
Plaza Sinar, Jalan 8/38D,
Taman Sri Sinar, Segambut,
51200 Kuala Lumpur

14 No. 71 & 73, Jalan Radin Tengah,
Zone J 4, Bandar Baru Seri Petaling,
57000 Kuala Lumpur

15 No. 7 & 9, Jalan 2/109F,
Plaza Danau 2, Taman Danau Desa,
Off Jalan Klang Lama,
58100 Kuala Lumpur

16 A-G-10 & A-01-11,
Jalan 26/70A, Desa Sri Hartamas,
50480 Kuala Lumpur

17 150, Jln Tun Sambanthan,
50470 Kuala Lumpur

18 No. 53 & 55, Jalan Sultan Ismail,
50250 Kuala Lumpur

19 No. 15, 16 & 17, Jalan Midah Satu,
Taman Midah, Cheras,
56000 Kuala Lumpur

20 Ground Floor (Lot G3),
Menara Raja Laut,
No. 288, Jalan Raja Laut,
50350 Kuala Lumpur

21 Ground & Mezzanine Floors,
No. 2-21A & 2-21A1,
Jalan Desa 1/1, Desa Aman Puri,
52100 Kepong, Kuala Lumpur

22 Ground & 1st Floor, Unit 25-G & 25-1,
Signature Office, Mid Valley City,
Lingkaran Syed Putra,
59200 Kuala Lumpur

23 Tingkat Bawah, No. 6 & 8, Blok 5,
Jalil Link, Jalan Jalil Jaya 6, Bukit Jalil,
57000 Kuala Lumpur

24 No. 63, Jalan Medan Putra 1,
Medan Putra Business Centre,
Menjalara, 52200 Kuala Lumpur

25 Level 1 Menara Hong Leong,
No. 6, Jalan Damanlela,
Bukit Damansara,
50490 Kuala Lumpur

26 No. 1-GM, Jalan Perdana 4/6,
Pandan Perdana,
55300 Kuala Lumpur

27 No. 19, Jalan 54, Desa Jaya,
52100 Kepong, Kuala Lumpur

28 No. 23GM & 25GM,
Jalan Pandan Indah 4/8,
55100 Kuala Lumpur

SELANGOR DARUL EHSAN

29 No. 3, Jalan Takal 15/21, Seksyen 15,
40000 Shah Alam,
Selangor Darul Ehsan

30 No. 59A, Jalan Welman,
48000 Rawang,
Selangor Darul Ehsan

31 Wisma Meru, No. 1,
Lintang Pekan Baru, Off Jalan Meru,
41050 Klang, Selangor Darul Ehsan

32 No. 119 & 121,
Jalan Sultan Abdul Samad,
42700 Banting,
Selangor Darul Ehsan

33 No. 64, Jalan Stesen,
45000 Kuala Selangor,
Selangor Darul Ehsan

34 W-1-0, W-2-0 & W-1-1,
Subang Square Business Centre,
Jalan SS15/4G,
47500 Subang Jaya,
Selangor Darul Ehsan

35 No. 91, Lorong Memanda 1,
Ampang Point, 68000 Ampang,
Selangor Darul Ehsan

36 No. 2, Jalan Kinrara,
Taman Kinrara, Jalan Puchong,
47100 Selangor Darul Ehsan

37 No. 24, Medan Taming 2,
Taman Taming Jaya,
43300 Balakong,
Selangor Darul Ehsan

38 No. 12 & 14, Jalan PJS 11/28A,
Metro Bandar Sunway,
Bandar Sunway,
46150 Petaling Jaya,
Selangor Darul Ehsan

39 No. 1 & 3, Jalan Sri Sarawak 17,
Taman Sri Andalas,
41200 Klang, Selangor Darul Ehsan

40 No. 11 & 13, Jalan M/J 1,
Taman Majlis Jaya,
Jalan Sungai Chua,
43000 Kajang, Selangor Darul Ehsan

41 No. 174 & 174A, Jalan Besar,
42800 Tanjung Sepat, Kuala Langat,
Selangor Darul Ehsan

42 No. 18 & 20, Jalan 20/16A,
Taman Paramount,
46300 Petaling Jaya,
Selangor Darul Ehsan

NETWORK OF BRANCHES

SELANGOR DARUL EHSAN

43 No.15 & 16 Jalan Menteri Besar 2,
New Sekinchan Business Centre,
45400 Sekinchan,
Selangor Darul Ehsan

44 No. 36, Jalan Dato Shahbudin 30,
Taman Sentosa,
41200 Klang, Selangor Darul Ehsan

45 No.39 & 41, Jalan SJ 17,
Taman Selayang Jaya,
68100 Batu Caves,
Selangor Darul Ehsan

46 No. 169, Jalan Teluk Pulai,
41100 Klang, Selangor Darul Ehsan

47 No. 1G-3G, Jalan Wawasan 2/10,
Bandar Baru Ampang,
68000 Ampang,
Selangor Darul Ehsan

48 No. 25-29G, Jalan SS 21/60,
47400 Damansara Utama,
Petaling Jaya, Selangor Darul Ehsan

49 No. G-16, 1-16 & 2-16 & G-17,
1-17 & 2-17, Jalan Prima SG1,
Taman Prima Sri Gombak,
68100 Batu Caves,
Selangor Darul Ehsan

50 No. 68, Lorong Batu Nilam 4A,
Bandar Bukit Tinggi,
41200 Klang, Selangor Darul Ehsan

51 No. 1&3, Jalan Seri Taming 1F,
Taman Seri Taming, Batu 9,
43200 Cheras, Selangor Darul Ehsan

52 No. 7 & 9, Jalan Bunga Tanjong 6A,
Taman Putra,
68000 Ampang,
Selangor Darul Ehsan

53 No. 22 & 24 Jalan 14/14,
46100 Petaling Jaya,
Selangor Darul Ehsan

54 Wisma Keringat 2, No. 17,
Lorong Batu Caves 2,
68100 Batu Caves,
Selangor Darul Ehsan

55 Ground Floor, Tower A PJ City
Development 15A,
Jalan 219, Section 51A,
46100 Petaling Jaya,
Selangor Darul Ehsan

56 No. 2, Jalan Public,
Sungai Buloh New Village,
47000 Sungai Buloh,
Selangor Darul Ehsan

57 No. 64, Jalan BRP 1/2,
Bukit Rahman Putra,
47000 Sungai Buloh,
Selangor Darul Ehsan

58 No. 5 & 7 Jalan Besar Susur 1,
43300 Seri Kembangan,
Selangor Darul Ehsan

59 No. 7 & 9, Jalan Pasar Baru 2,
Seksyen 3, Bandar Semenyih,
43500 Semenyih,
Selangor Darul Ehsan

60 No. 2, Jalan Puteri 2/4,
Bandar Puteri, 47100 Puchong,
Selangor Darul Ehsan

61 No. 1, Jalan Temenggung 21/9,
Bandar Mahkota Cheras,
43200 Cheras,
Selangor Darul Ehsan

62 No. 2G, 2-1 & 2A-G,
Jalan Cheras Maju,
Pusat Perniagaan Cheras Maju,
43200 Balakong,
Selangor Darul Ehsan

63 5, Jalan SL 1/4,
Bandar Sungai Long, 43000 Kajang,
Selangor Darul Ehsan

64 Ground Floor, 36, Jalan Sulaiman,
43000 Kajang, Selangor Darul Ehsan

65 No. 9 & 11, Jalan 52/2,
PJ New Town Centre,
46200 Petaling Jaya,
Selangor Darul Ehsan

66 90, Persiaran Raja Muda Musa,
42000 Pelabuhan Klang,
Selangor Darul Ehsan

67 3, Jalan Bandar Satu,
Pusat Bandar Puchong,
47100 Puchong,
Selangor Darul Ehsan

68 No. 26 & 27, Jalan Kenari 1,
Bandar Puchong Jaya,
47100 Puchong,
Selangor Darul Ehsan

69 No. 28 & 30, Jalan SS 2/67,
47300 Petaling Jaya,
Selangor Darul Ehsan

70 Lot 43 & 45, Jalan USJ 10/1G,
47620 Subang Jaya,
Selangor Darul Ehsan

71 No. 2, Jalan PJU 5/8, Dataran
Sunway, Kota Damansara,
47810 Petaling Jaya,
Selangor Darul Ehsan

72 26-32, Jalan Kapar, 41400 Klang,
Selangor Darul Ehsan

73 No. 19, Jalan Setia Prima R U 13/R,
Setia Alam, Seksyen U13,
40170 Shah Alam,
Selangor Darul Ehsan

74 No. 3-G Jalan Anggerik Vanilla N31/N,
Kota Kemuning,
40460 Shah Alam,
Selangor Darul Ehsan

75 No.1 & 3, Jalan PJU 1/43,
Aman Suria, 47301 Petaling Jaya,
Selangor Darul Ehsan

76 Ground Floor, Lot G01,
Giant Hypermarket Putra Heights,
Persiaran Putra Perdana,
47560 Putra Heights,
Selangor Darul Ehsan

77 Ground Floor, No. 109 & 111,
Jalan Mahogani 5, Bandar Botanic,
41200 Klang, Selangor Darul Ehsan

78 No. 4G & 6G, Jalan Equine 1B,
Taman Equine Boulevard,
43300 Seri Kembangan,
Selangor Darul Ehsan

79 No. 8, Jalan UP 1/5,
Taman Ukay Perdana,
68000 Ampang,
Selangor Darul Ehsan

80 No. 120, Jalan Puj 3/2,
Taman Puncak Jalil,
Bandar Putra Permai,
43300 Seri Kembangan,
Selangor Darul Ehsan

NETWORK OF BRANCHES

PAHANG DARUL MAKMUR

81 No. 59 & 60, Jalan Temerloh,
Locked Bag No. 9, 28409 Mentakab,
Pahang Darul Makmur

82 No. 25, Jalan Tun Ismail,
25000 Kuantan,
Pahang Darul Makmur

83 No. 39-41, Jalan Tun Razak,
27600 Raub, Pahang Darul Makmur

84 No. 36, Main Road, Tanah Rata,
39000 Cameron Highlands,
Pahang Darul Makmur

85 No. 1, Bentong Heights,
28700 Bentong,
Pahang Darul Makmur

86 No. B 278 & B 280,
Jalan Beserah, 25300 Kuantan,
Pahang Darul Makmur

87 No. 113 Jalan Inderapura 1,
Bandar Inderapura,
27000 Jerantut,
Pahang Darul Makmur

TERENGGANU DARUL IMAN

88 Lot 3594 & 3595,
Jalan Baru Pak Sabah,
23000 Dungun,
Terengganu Darul Iman

89 **Hong Leong Islamic Bank Berhad**
No. 31, Jalan Sultan Ismail,
20200 Kuala Terengganu,
Terengganu Darul Iman

90 No. 1107 - R,S & T, Jalan Pejabat,
20200 Kuala Terengganu,
Terengganu Darul Iman

91 No. 5686 & 5694-B,
Jalan Kubang Kurus,
24000 Kemaman,
Terengganu Darul Iman.

KELANTAN DARUL NAIM

92 **Hong Leong Islamic Bank Berhad**
Ground & Mezanine Floor,
No. 1121A & B, Jalan Padang
Garong, Seksyen 12,
15000 Kota Bahru,
Kelantan Darul Naim

93 PT 320 & 321, Seksyen 25,
Jalan Sultan Yahya Petra,
15200 Kota Bahru,
Kelantan Darul Naim

PERLIS INDERA KAYANGAN

94 No. 40 & 42, Jalan Bukit Lagi,
01000, Kangar,
Perlis Indera Kayangan

KEDAH DARUL AMAN

95 Ground Floor & 1st Floor,
No 212 Jalan Gangsa,
Seberang Jalan Putra,
05150 Alor Setar,
Kedah Darul Aman

96 No. 1 & 2, Jalan Raya,
09800 Serdang,
Kedah Darul Aman

97 No. 62 & 63, Jalan Bayu Satu,
09000 Kulim, Kedah Darul Aman

98 No. 167 & 168,
Susuran Sultan Abdul Hamid 11,
Kompleks Perniagaan Sultan Abdul
Hamid Fasa 2,
05050 Alor Setar,
Kedah Darul Aman

99 No. 9A & 9B, Jalan Kampung Baru,
08000 Sungai Petani,
Kedah Darul Aman

100 18K & 18L, Jln Raya,
08300 Gurun, Kedah Darul Aman

101 Ground & First Floor,
255 Jalan Legenda 10,
Legenda Heights,
08000 Sg Petani,
Kedah Darul Aman

102 No. 93, Langkawi Mall,
Jalan Kelibang,
07000 Kuah, Langkawi,
Kedah Darul Aman

103 No. 1520-2A, Pantai Halban,
Jalan Kepala Batas,
06000 Jitra, Kedah Darul Aman

PULAU PINANG

104 No. 1, Light Street, Georgetown,
10200 Pulau Pinang

105 No. 9 & 10, Jalan Todak 2,
Pusat Bandar, Seberang Jaya,
13700 Prai, Pulau Pinang

106 Unit G-02, Mezzanine 2-02B,
No. 405 Jalan Burmah,
10350 Pulau Pinang

107 No. 15-G-1 (Bayan Point),
Medan Kampung Relau,
11900 Pulau Pinang

108 1780 & 1781, Jalan Nibong Tebal,
Taman Panchor Indah,
14300 Pulau Pinang

109 No. 1, Lebuh Kurau 1,
Taman Chai Leng,
13700 Prai, Pulau Pinang

110 No. 19, Jalan Bertam,
13200 Kepala Batas,
Seberang Prai, Pulau Pinang

111 No. 6963 & 6964,
Jalan Ong Yi How, Kawasan
Perusahan Raja Uda,
13400 Butterworth, Pulau Pinang

112 No.1823-G1,
Jalan Perusahaan Auto-City,
North-South Highway Juru
Interchange,
13600 Prai,Pulau Pinang

113 No. 300 Jalan Jelutong,
11600 Pulau Pinang.

114 Ground Floor, No:16A & 16B,
Lebuhraya Thean Teik,
Bandar Baru Ayer Itam
11500 Pulau Pinang

115 No. 31, 33, 35,
Jalan Usahaniaga 1, Tmn Niagajaya,
14000 Bukit Mertajam,
Pulau Pinang

NETWORK OF BRANCHES

116 No.3350 & 3351, Jalan Rozhan, Taman Industri Alma Jaya, 14000 Bukit Mertajam, Pulau Pinang

117 No. 1, Jalan Besar, Taman Tempua, 14000 Simpang Ampat, Pulau Pinang

118 No. 306-F, Jalan Dato Ismail Hashim, Sungai Ara, 11900 Bayan Lepas, Pulau Pinang

119 Ground & First Floor, No.1 Medan Limau Emas, Pusat Perniagaan Limau Emas, Off Jalan Song Ban Keng, 14000 Bukit Mertajam, Pulau Pinang

PERAK DARUL RIDZUAN

120 Lot-A-G-2 (Ground Floor), No. 1, Persiaran Greentown 2, Greentown Business Centre, 30450 Ipoh, Perak Darul Ridzuan

121 N-20, Jalan Bidor Raya, Off Jalan Persatuan, 35500 Bidor, Perak Darul Ridzuan

122 No. 41, Jalan Taiping, 34200 Parit Buntar, Perak Darul Ridzuan

123 No. 16 & 17, Taman Sitiawan Maju, Jalan Lumut, 32000 Sitiawan, Perak Darul Ridzuan

124 Ground & First Floors, No.116 & 117, Jalan Besar, 31450 Menglembu, Ipoh, Perak Darul Ridzuan

125 No. 53, 55 & 57, Jalan Stesyen, 34000 Taiping, Perak Darul Ridzuan

126 No. 133 & 135 Jalan Gopeng, 31900 Kampar, Perak Darul Ridzuan

127 No. 11 & 12, Kompleks Menara Condong, Jalan Bandar, 36000 Teluk Intan, Perak Darul Ridzuan

128 No. 579 & 579A, Jalan Pasir Puteh, 31650 Ipoh, Perak Darul Ridzuan

129 No. 91 & 93, Jalan Dato Lau Pak Khuan, Ipoh Garden, 31400 Ipoh, Perak Darul Ridzuan

130 86 & 88, Jln Besar, 32400 Ayer Tawar, Perak Darul Ridzuan

131 Ground & First Floor No.254 & 254A, Jalan Raja Dr. Nazrin Shah, Gunung Rapat, 31350 Ipoh, Perak Darul Ridzuan

132 No. 25 & 27, Jalan Bunga Anggerik, Taman Bunga Raya, 35900 Tanjong Malim, Perak Darul Ridzuan

133 Ground & First Floor, No. 362, Medan Bercham, Jalan Bercham, 31400 Ipoh, Perak Darul Ridzuan

NEGERI SEMBILAN DARUL KHUSUS

134 No. 100, Jalan Gurney, 72100 Bahau, Negeri Sembilan Darul Khusus

135 No. 69, 70 & 71, Jalan Dato Bandar Tunggal, 70000 Seremban, Negeri Sembilan Darul Khusus

136 No. 112, Jalan Yam Tuan Raden, 72000 Kuala Pilah, Negeri Sembilan Darul Khusus

137 Lot PT 5729 & 5730, Jalan TS 2/1D, Taman Semarak, 71800 Nilai, Negeri Sembilan Darul Khusus

138 Lot 3120 & 3121, Jalan Besar, Lukut, 71010 Port Dickson, Negeri Sembilan Darul Khusus

139 145-G, 145-1 & 146-G, Blok M, Taipan Senawang, Senawang Commercial Park, 70450 Negeri Sembilan Darul Khusus

140 Ground, 1st & 2nd Floors, No: 7 & 8 Jalan S2 B15, Biz Avenue, Seremban 2, 70300 Seremban, Negeri Sembilan Darul Khusus

MELAKA

141 No. 345, Jalan Ong Kim Wee, 75300 Melaka

142 No. 150 & 152, Kompleks Munshi Abdullah, Jalan Munshi Abdullah, 75100 Melaka

143 Lot BB-371A & B, Taman Melaka Baru, Batu Berendam, 75350 Melaka

144 Lot 215 & 130, Jalan Besar, 78300 Masjid Tanah, Melaka

145 No. 1, 1-1 & 3, Jalan Malim Jaya 2/7A, Taman Malim Permai, 75250 Melaka

146 No. 67 & 69 Jalan Merdeka, Taman Melaka Raya, 75000 Melaka

147 Ground Floor & 1st Floor, No 2 & 2-1, Jalan Cheng Baru 1, Taman Cheng Baru, 75250 Melaka.

JOHOR DARUL TAKZIM

148 No. 12 - 16, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor Darul Takzim

149 No. 70, Jalan Segamat, 85300 Labis, Johor Darul Takzim

150 Lot No. 24 & 25, Jalan Ahmad Ujan, Taman Kota Besar, 81900 Kota Tinggi, Johor Darul Takzim

151 No. 120 - 122, Jalan Mersing, 86000 Kluang, Johor Darul Takzim

152 No. 173 & 175, Jalan Sri Pelangi, Taman Pelangi, 80400 Johor Bahru, Johor Darul Takzim

153 No. 6 & 8, Jalan Nakhoda 12, Taman Ungku Tun Aminah, 81300 Skudai, Johor Darul Takzim

154 No. LC 531, Jalan Payamas, 84900 Tangkak, Johor Darul Takzim

155 No. 109 Main Road, 83700 Yong Peng, Johor Darul Takzim

NETWORK OF BRANCHES

156 No. 39 & 41, Jalan Kebudayaan 1,
Taman Universiti,
81300 Skudai, Johor Darul Takzim

157 Ground & Mezzanine Floors,
Penggaram Complex,
No. 1, Jalan Abdul Rahman,
Off Jalan Rahmat,
83000 Batu Pahat,
Johor Darul Takzim

158 No. 80, Jalan Dedap 13,
Taman Johor Jaya,
81100 Johor Bahru,
Johor Darul Takzim

159 No. 2, Jalan Jati Satu,
Taman Nusa Bestari Jaya,
81300 Skudai, Johor Darul Takzim

160 No. 5, Jalan Camar 1/3,
Taman Perling,
81200 Johor Bahru,
Johor Darul Takzim

161 No. 35, 37 & 39, Jalan Johar 1,
Taman Desa Cemerlang,
81800 Ulu Tiram,
Johor Darul Takzim

162 No. 8-10 Jalan Nusaria 11/7,
Taman Nusantara,
81550 Gelang Patah,
Johor Darul Takzim

163 105-106, Jalan Besar,
81750 Masai, Johor Darul Takzim

164 01-01, 01-02, 01-03, 01-05,
Block D Komersil Southkey Mozek,
Persiaran Southkey 1.
Kota Southkey,
80150 Johor Bahru,
Johor Darul Takzim

165 No. 21, Jalan Permas 10/1,
Bandar Baru Permas Jaya,
81750 Masai, Johor Darul Takzim

166 No. 30 & 31, Jalan Delima,
Pusat Perdagangan Pontian,
82000 Pontian, Johor Darul Takzim

167 No. 43A & 45, Jalan Genuang,
Kampung Abdullah,
85000 Segamat,
Johor Darul Takzim

168 No. 29 & 31, Jalan Molek 2/4,
Taman Molek,
81100 Johor Bahru,
Johor Darul Takzim

169 No. 25 & 25A,
Jalan Kenanga 29/1, Indahpura,
81000 Johor Bahru,
Johor Darul Takzim

170 Ground & 1st Floor, No. 3,
Pusat Dagangan Bakri, Jalan Bakri,
84000 Muar, Johor Darul Takzim

171 Gd Floor, No. 121 & 123,
Jln Austin Heights 3,
Tmn Mount Austin,
81100 Johor Bahru,
Johor Darul Takzim

172 Ground Floor, No.1,
Jalan Setia Tropika 1/15,
Taman Setia Tropika,
81200 Johor Bahru,
Johor Darul Takzim

SABAH

173 Ground & 1st Floor,
Lot No.1,Block 35,
Fajar Commercial Complex,
Jalan Lembaga,
91013 Tawau, Sabah

174 No. 5 & 6 (Ground Floor),
Lorong Lintas Plaza 1, Lintas Plaza,
88300 Kota Kinabalu, Sabah

175 Lot 1, 2 & 3, Block 18,
Mile 4, North Road, Bandar Indah,
90000 Sandakan, Sabah

176 No. 19, Jalan Haji Saman,
P.O. Box 11989,
88821 Kota Kinabalu, Sabah

177 No. 8, Jln Pantai,
Locked Bag No. 124,
88999 Kota Kinabalu, Sabah

178 Lot 4, 5 & 6, Block C,
Lorong KK Taipan 2,
Inanam New Township,
88450 Kota Kinabalu, Sabah

179 Lot 3-0-14 to 3-0-16,
Block 3, Lorong Api-Api 2,
Api-Api Centre,
88000 Kota Kinabalu, Sabah

180 MDLD 4711 & 4712,
Lot 3 & 4, Jalan Kastam Lama,
91100 Lahad Datu, Sabah

SARAWAK

181 No. 42, Jalan Pending,
93450 Kuching, Sarawak

182 Lot 3073 & 3074, Jalan Abang Galau,
97000 Bintulu, Sarawak

183 No. 133, 135 & 137,
Jalan Kampung Nyabor,
96000 Sibu, Sarawak

184 No. 8-10, Lorong Maju, PO Box 279,
96508 Bintangor, Sarawak

185 Lot 13 & 14, Olive Garden,
7th Mile Bazaar, Jalan Pensrissen,
93250 Kuching, Sarawak

186 No. 175, Serian Bazaar,
94700 Serian, Sarawak

187 Lot 124, Saratok Baazar, P.O Box 71,
95407 Saratok, Sarawak

188 No. 10, Lot 734, Jalan Lee Kai Teng,
95700 Betong, Sarawak

189 No. 18, Chew Geok Lin Street,
P.O Box 1461,
96000 Sibu, Sarawak

190 No. 722, Jalan Masjid, P.O Box 19,
96400 Mukah, Sarawak

191 Lot 122 Jalan Yong Moo Chai,
P.O. Box 15,
96807 Kapit, Sarawak

192 Lot 11600-11602, Block 16,
No. 127-129 R.H.Plaza,
Jalan Lapangan Terbang,
93550 Kuching, Sarawak

193 Lot 122 - 124,
Jalan Song Thian Cheok,
93100 Kuching, Sarawak

194 Lot 1078-1079, Buangsiol Road,
P O Box 69,
98707 Limbang, Sarawak

195 Ground & First Floor,
Lot 715, Merbau Road,
98008 Miri, Sarawak

196 No. 22-23,
Suria Permata Commercial Centre,
Jalan Lanang,
96000 Sibu, Sarawak

197 Lot 2499 & 2500,
Ground & 1st Floor,
Boulevard Commercial Centre,
Jalan Miri-Pujut, KM 3,
98000 Miri, Sarawak

NETWORK OF BRANCHES

198 No. 18C & 20, Lorong Tun Razak 1,
Jalan Masjid Lama,
96100 Sarikei Sarawak

199 10, 12, 14, 16 & 18,
Mission Road, P.O. Box 656,
96007 Sibu, Sarawak

200 345-347, Ground Floor & 1st Floor,
Central Park Commercial Centre,
Jalan Tun Ahmad Zaidi Adruce,
93200 Kuching, Sarawak

201 Lot 171, Jalan Council,
95000 Bandar Sri Aman, Sarawak

FEDERAL TERRITORY PUTRAJAYA

202 **Hong Leong Islamic Bank Berhad**
Lot T00 - U01,
No. 5, Jalan P16, Precinct 16,
62150 Putrajaya,
Wilayah Persekutuan

FEDERAL TERRITORY LABUAN

203 No. 64, Jalan Tun Mustapha,
87007 Labuan

BUREAU DE CHANGE

1 Bureau De Change Bukit Bintang,
No. 53 & 55, Jalan Sultan Ismail,
50250 Kuala Lumpur

2 Bureau De Change Kuantan,
No. 25, Jalan Tun Ismail,
25000 Kuantan,
Pahang Darul Makmur

LIMITED SERVICE BRANCH

1 **Eco Majestic Branch:**
Block 1, Jalan Eco Majestic 10/1,
Eco Majestic 43500, Semenyih,
Selangor Darul Ehsan

2 **Kulim Hi Tech Park Branch:**
Suite R2.1, Ground Floor,
KHTP Business Centre,
Kulim Hi-Tech Park,
09090 Kulim,
Kedah Darul Aman

3 **Eco Spring Branch:**
Eco Palladium, Block C,
Pusat Perdagangan Eko Flora,
Jalan Eko flora 7/5,
Taman Utama, Johor Bahru,
81100 Johor Darul Takzim

4 **Eco Sanctuary Branch:**
Lot G-13 @ Sanctuary Mall,
Jalan Eco Santuari 8/3,
Eco Santuari Telok Panglima,
42500 Selangor Darul Ehsan

5 **Servay Penampang Branch:**
Lot S17 & S18, Ground Floor,
Servay Hypermarket Penampang,
Bandar Koidupan,
Penampang Baru,
KM 7.5 Jalan Penampang,
88300 Kota Kinabalu, Sabah

6 **Plaza Merdeka Branch:**
L1-20 and L1-21, Level 1,
Plaza Merdeka Shopping Center,
88 Pearl Street,
93000 Kuching, Sarawak

NETWORK OF BRANCHES

OVERSEAS BRANCHES AND SUBSIDIARIES

SINGAPORE

1 **Main Office**
1 Wallich Street
#29-01 Guoco Tower
Singapore 078881

Banking Hall
7 Wallich Street
#B1-25 & B1-26
Tanjong Pagar Center
Singapore 078884

Tel : (65)-63498338
Fax : (65)-65339340

HONG KONG

1 50/F
The Center
99 Queen's Road Central
Central, Hong Kong

Tel : 852-22838838
Fax : 852-22853138

VIETNAM

1 **Hong Leong Bank Vietnam Limited**
Ground Floor, Centec Tower
72-74 Nguyen Thi Minh Khai Street
District 3, Ho Chi Minh City

Tel : 848-6299 8100
Fax : 852-6299 8101

2 **Hong Leong Bank Vietnam Limited**
Pacific Place, GF, Unit 08-09,
83B Ly Thuong Kiet Str,
Tran Hung Dao Ward,
Hoan Kiem District
Hanoi, Vietnam

Tel : 848-62998100
Fax : 848-62998101

CAMBODIA

1 **Hong Leong Bank (Cambodia) PLC**
Head Office Branch :
No. 28, Samdech Pan Avenue
(St. 214), Sangkat Boeung Raing,
Khan Daun Penh, Phnom Penh
Kingdom of Cambodia

Tel: +855 23 999 711
Fax : +855 23 998 494

2 **Hong Leong Bank (Cambodia) PLC**
Tuol Kork Branch:
No. 150 G & 150 M,
Street 289 Sangkat Boeung Kak 1,
Khan Toul Kork, Phnom Penh

Tel : +855 23 999 711

3 **Hong Leong Bank (Cambodia) PLC**
Olympic Branch Branch:
No. 345, 347, and 349, Street 274,
Sangkat Veal Vong, Khan 7 Makara,
Phnom Penh

Tel : +855 23 999 711

4 **Hong Leong Bank (Cambodia) PLC**
Pet Lok Sang Branch:
No. 23, Street 271,
Sangkat Toeuk Thla,
Khan Sensok, Phnom Penh,
Cambodia

Tel : +855 23 999 711

5 **Hong Leong Bank (Cambodia) PLC**
Mao Tse Toung Branch:
No. 167CD, Mao Tse Toung Blvd
(St. 245),
Sangkat Toul Svay Prey 1, Khan
Chamkamorn, Phnom Penh

Tel :+855 23 999 711

6 **Hong Leong Bank (Cambodia) PLC**
Boeung Snor Branch:
SL08 and SL09 of Polaris Shop,
National road N01,
Boeung Chhouk Village,
Sangkat Niroth, Khan Chbar
Ampov, Phnom Penh, Cambodia

Tel : +855 23 999 711

7 **Hong Leong Bank (Cambodia) PLC**
Sen Sok Branch
#65&67, St. 1003, Phum Bayab,
Sangkat Phnom Penh Thmey, Khan
Sensok, Phnom Penh, Cambodia

Tel : +855 92 376 263

LABUAN INTERNATIONAL BUSINESS AND FINANCIAL CENTRE

1 **Hong Leong Bank Berhad**
Labuan International Branch
(Licensed Labuan Bank No.
160118D)
Level 6 (G), Main Office Tower,
Financial Park Labuan Complex,
Jalan Merdeka,
87000 Labuan F.T. Malaysia

Tel : 6087-422253
Fax : 6087-422263

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FORM OF PROXY

HongLeong Bank Berhad
Registration No. 193401000023 (97141-X)

I/We_____

NRIC/Passport/Company No._____

of _____

being a member of HONG LEONG BANK BERHAD (the "Bank"), hereby appoint_____

_____

NRIC/Passport No._____

of_____

or failing him/her_____

NRIC/Passport No._____

of _____

_____

or failing him/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Eighty-Fifth Annual General Meeting of the Bank to be held at Wau Bulan 2, Level 2, Sofitel Kuala Lumpur Damansara, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur on Monday, 26 October 2026 at 10.00 a.m. and at any adjournment thereof.

My/Our proxy/proxies is/are to vote as indicated below with an "X":

	RESOLUTIONS	**FOR**	**AGAINST**
1.	To approve the payment of Director Fees		
2.	To approve the payment of Directors' Other Benefits		
3.	To re-elect YBhg Tan Sri Quek Leng Chan as a Director		
4.	To re-elect YBhg Datuk Manharlal A/L Ratilal as a Director		
5.	To re-elect Puan Marzida binti Mohd Noor as a Director		
6.	To re-appoint PricewaterhouseCoopers PLT as Auditors of the Bank and to authorise the Directors to fix their remuneration		
SPECIAL BUSINESS			
7.	To approve the ordinary resolution on Authority to Directors to Allot Shares		
8.	To approve the ordinary resolution on Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Hong Leong Company (Malaysia) Berhad, GuoLine Capital Assets Limited and Persons Connected with them		

Dated this_____day of_____2026

_____ _____

Number of shares held Signature(s) of Member

_____

CDS Account No.

Notes:-

1. *For the purpose of determining members' eligibility to attend this meeting, only members whose names appear in the Record of Depositors as at 19 October 2026 shall be entitled to attend this meeting or appoint proxy(ies) to attend and vote on their behalf.*
2. *If you wish to appoint other person(s) to be your proxy, insert the name(s) and address(es) of the person(s) desired in the space so provided.*
3. *If there is no indication as to how you wish your vote(s) to be cast, the proxy will vote or abstain from voting at his/her discretion.*
4. *A proxy may but need not be a member of the Bank.*
5. *Save for a member who is an exempt authorised nominee, a member shall not be entitled to appoint more than two (2) proxies to attend, participate, speak and vote at the same meeting. Where a member of the Bank is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Bank standing to the credit of the said securities account. A member who is an exempt authorised nominee which holds ordinary shares of the Bank for multiple beneficial owners in one securities account ("Omnibus Account") may appoint any number of proxies in respect of the Omnibus Account.*
6. *Where two (2) or more proxies are appointed, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, failing which the appointments shall be invalid (please see note 9 below).*
7. *In the case where a member is a corporation, this Form of Proxy must be executed under its Common Seal or under the hand of its duly authorised attorney or officer.*
8. *All Forms of Proxy must be duly executed and deposited at the Registered Office of the Bank at Level 30, Menara Hong Leong, No. 6, Jalan Damanlela, Bukit Damansara, 50490 Kuala Lumpur or lodged electronically via email at cosec-hlfg@hongleong.com.my, not less than forty-eight (48) hours before the time appointed for holding of the meeting or adjourned meeting.*
9. *In the event two (2) or more proxies are appointed, please fill in the ensuing section:*

Name of Proxies	*% of shareholdings to be represented*

10. *Pursuant to Paragraph 8.29 A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice will be put to a vote by way of a poll.*
11. *By signing and submitting this proxy form, the member acknowledges that he/she has read HLB's Privacy Notice at https://www.hlb.com.my/content/dam/hlb/my/docs/pdf/Personal/Footer/EN/privacy_notice_en.pdf?icp=hlb-en-all-footer-txt-privacy and consents to, and/or warrants that he/she has obtained the prior consent of the appointed proxy/representative (as applicable), for the collection, use, disclosure and processing of their personal data in accordance with the Personal Data Notice in the Administrative Notes to Shareholders received by the member for this meeting. The member agrees that he/she will indemnify the Bank in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of the above warranty.*

Fold this flap for sealing

Then fold here

AFFIX STAMP

The Group Company Secretary

HONG LEONG BANK BERHAD
Registration No. 193401000023 (97141-X)

Level 30, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Malaysia

1st fold here

Hong Leong Bank Berhad
Registration No. 193401000023 (97141-X)

Level 19, Menara Hong Leong
No. 6, Jalan Damanlela, Bukit Damansara
50490 Kuala Lumpur
Tel : 03-2081 8888
Fax : 03-2081 7801

As part of Hong Leong Bank's support for environmental sustainability,
this Annual Report is printed on Forest Stewardship Council (FSC) certified paper.