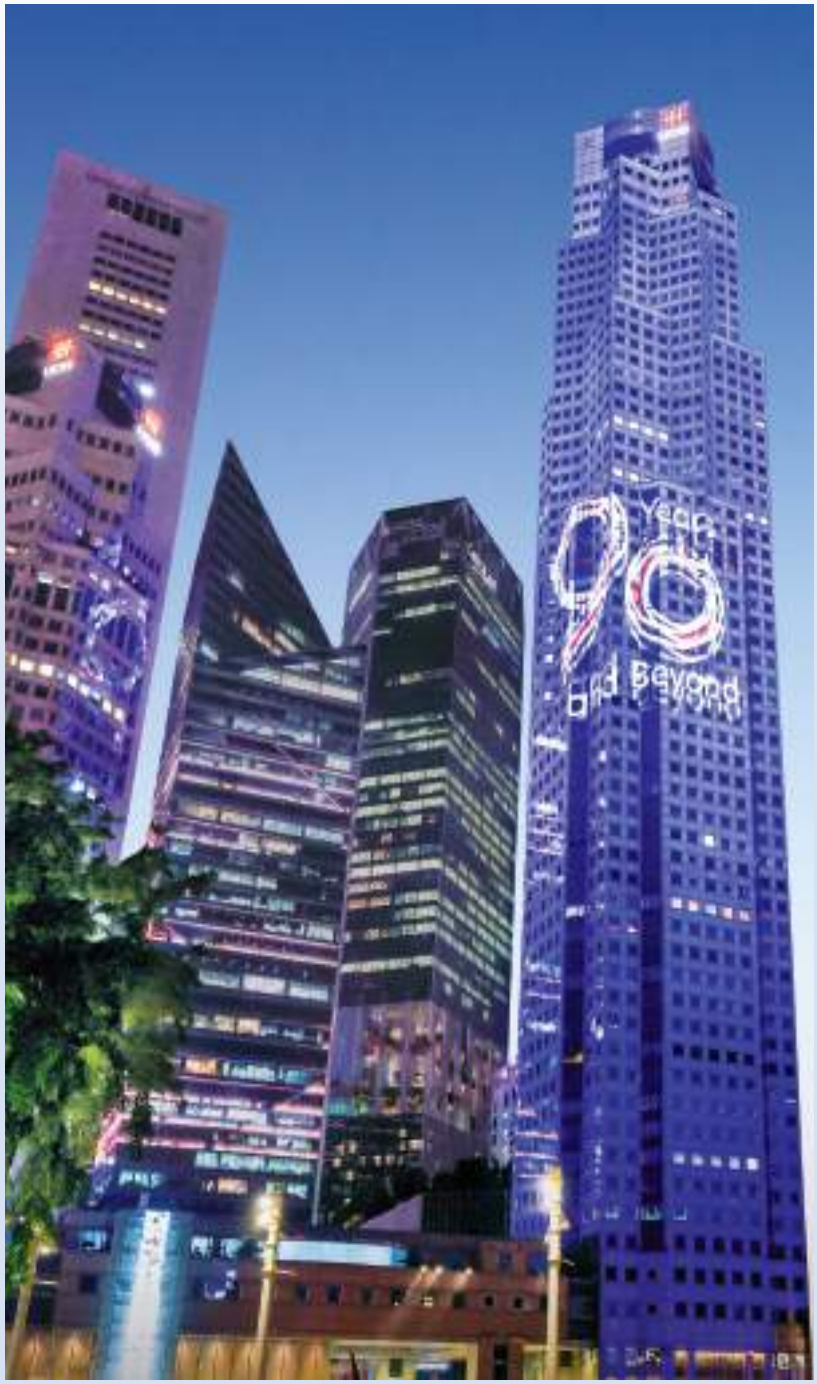
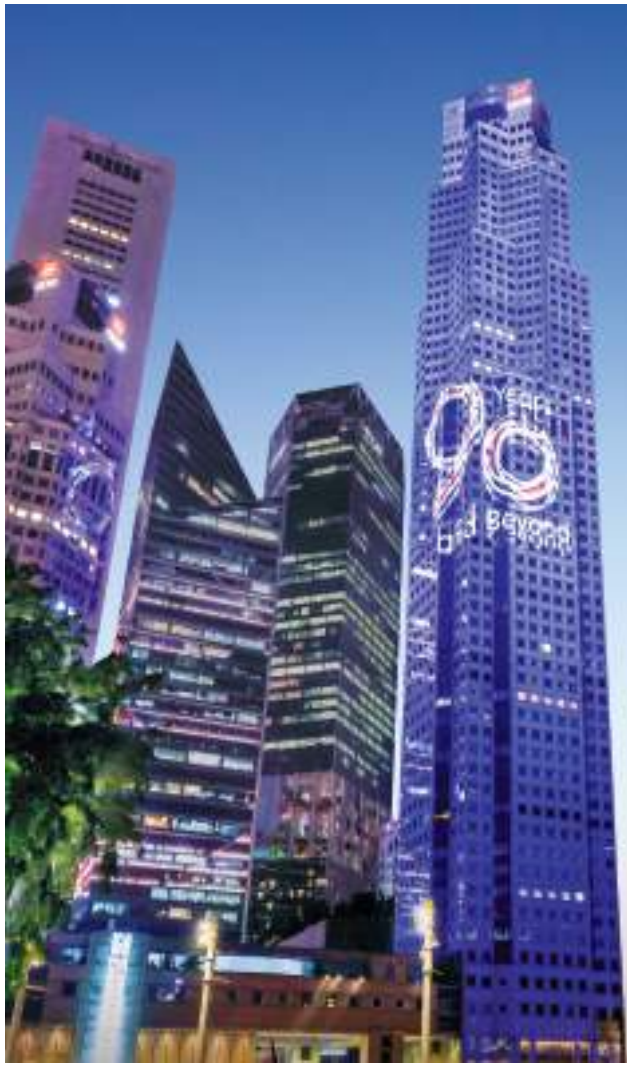
United Overseas Bank (Malaysia) Bhd
Annual Report 2025

Building the Future of ASEAN





The cover for this year's Annual Report features an image from "UNITY", a six-minute projection mapping show on UOB Plaza 1 in Singapore. To mark UOB's 90th anniversary and Singapore's 60th National Day in August, a series of projections were developed and created by local talents to celebrate Singapore's journey, UOB's legacy and the spirit of innovation and resilience that binds us. The projections also spotlight works by talented Singapore artists – winners of Southeast Asia's longest running art competition, the UOB Painting of the Year.

The projection show earned three Guinness World Records titles:

- Largest Light Output in a Projected Image
- Longest Architectural Projection-Mapped Display (Temporary)
- Highest Projection Image on a Building.

Like light dancing across the skyline, the projection mapping show is a symbol of hope, creativity and progress. It reminds us that every bright idea begins with a spark and, when nurtured, can illuminate entire horizons. As UOB celebrates 90 years of steadfast growth, we remain guided by our purpose of building the future of ASEAN. Anchored by resilience and inspired by innovation, we look ahead to a future where ideas flourish, communities thrive and opportunities abound across the region.

Contents

Overview

08 About UOB Malaysia
10 Our Purpose and Strategic Priorities
12 Where UOB Operates
14 Our Awards and Accolades in 2025
16 Chairman's Statement
18 Board of Directors and its Committees
24 Corporate Information
26 Branch Network

Governance

32 Corporate Governance
43 Pillar 3 Disclosure
119 Climate-Related Disclosures

Financial Report

172 Directors' Report
181 Statement by Directors
181 Statutory Declaration
182 Shariah Committee's Report
183 Independent Auditors' Report
185 Statements of Financial Position
186 Statements of Profit or Loss
187 Statements of Comprehensive Income
188 Statements of Changes in Equity
190 Statements of Cash Flows
193 Notes to the Financial Statements





Building the Future of ASEAN

For the people and businesses within, and connecting with, ASEAN.

Our Purpose statement above underscores UOB's brand promise to do right by our stakeholders, including customers, colleagues and communities. It reflects our long-term strategy, signalling the Bank's intent to intensify investment in the region to help realise the potential of the people and businesses in ASEAN. It also reinforces UOB's commitment to facilitating economic flows within and with ASEAN to support businesses across generations.



United Overseas Bank (Malaysia) Bhd and its subsidiaries

31 December 2025

Overview

08 About UOB Malaysia
10 Our Purpose and Strategic Priorities
12 Where UOB Operates
14 Our Awards and Accolades in 2025
16 Chairman's Statement
18 Board of Directors and its Committees
24 Corporate Information
26 Branch Network



About UOB Malaysia





UOB Malaysia is rated among the top banks in Malaysia with a long-term AAA rating from Ratings Agency of Malaysia. It has over seven decades of presence in the country, and operates 55 branches nationwide, offering both conventional and Islamic banking services to its customers.

UOB Malaysia is a subsidiary of UOB, a leading Asian bank with a global network in Southeast Asia, Asia Pacific, Europe and North America. Operating through our head office in Singapore and banking subsidiaries in China, Indonesia, Malaysia, Thailand and Vietnam, we have a global network of about 430 branches and offices in 19 markets. UOB has adopted a customer-centric approach to creating long-term value by staying relevant through its enterprising spirit and doing right by its customers. UOB is focused on building the future of ASEAN – for the people and businesses within, and connecting with, ASEAN.

The Bank connects businesses to opportunities in the region with its unparalleled regional footprint and leverages data and insights to innovate and create personalised banking experiences and solutions catering to each customer's unique needs and evolving preferences. UOB is also committed to helping businesses forge a sustainable future, by fostering social inclusiveness, creating positive environmental impact and pursuing economic progress. UOB believes in being a responsible financial services provider and is steadfast in its support of art, social development of children and education, doing right by its communities and stakeholders.

For further information, please visit www.uob.com.my.

Our Purpose and Strategic Priorities



Building the future of ASEAN — for the people and businesses within, and connecting with, ASEAN.

Guided by our values and supported by our fundamental strengths, we focus on supporting our customers as we drive performance across our franchise.

Our approach to supporting our customers is based on a long-term mindset to stay prudent and disciplined in balancing growth with responsibility.

Our Strategic Focus



Create financial solutions that are personalised to individuals and businesses to help them achieve their personal and business financial goals through our omni-channel approach.



Help customers grow sustainably and integrate sustainability into our business and operations to drive responsible growth for positive and meaningful impact to the economy, society and environment.



Connect our customers across ASEAN, with Greater China and the rest of the world, through our sector specialisation, ecosystem partnerships and integrated digital platform, using a One Bank approach.



Build employee pride through fostering a culture of care, growth and trust, as we attract and grow our own timber.

Our Fundamental Strengths



Robust governance and risk management; strong capital and funding base



Established and integrated network



Diverse pool of talent and expertise



Asian heritage and Southeast Asian roots

Our Values



Honourable



Enterprising



United



Committed

Where UOB Operates

~430 branches and offices in Southeast Asia, Asia Pacific, Europe and North America.

Asia

Brunei	2	Myanmar	2
Hong Kong	2	Philippines	1
India	2	Singapore	52
Indonesia	91	South Korea	1
Japan	2	Taiwan	1
Mainland China	17	Thailand	180
Malaysia	58	Vietnam	7

Australia	1	United Kingdom	1
Canada	3	USA	2
France	1		



Our Awards and Accolades in 2025

Alpha Southeast Asia 19th Annual Deal & Solution and ESG Awards 2025

- **Best Project Finance Sukuk in Asia 2025**
  - Pulau Indah Power Plant Sdn Bhd
- **Best Private Equity Backed M&A Deal of the Year 2025**
  - Golden Fresh Group

Asian Banking & Finance Retail Banking Awards 2025

- **International Retail Bank of the Year**
- **Digital Business Banking Initiatives of the Year - Malaysia**

Asian Business Review

- **Best Banking App**

Corporate Treasurer Awards 2025

- **Most Innovative Treasury Initiative**
  - Great Wall Motor Company Limited
- **Most Innovative Treasury Initiative**
  - Sime Darby Beyond Auto

Euromoney

- **Best Bank for Consumers**

FinanceAsia Achievement Awards 2025

- **Best Islamic Finance Deal (APAC)**
  - Perbadanan Bekalan Air Pulau Pinang
- **Best Islamic Finance Deal (Malaysia)**
  - Perbadanan Bekalan Air Pulau Pinang
- **Best Bond Deal (Malaysia)**
  - Exsim Capital Resources
- **Best Infrastructure Deal (Malaysia)**
  - Bridge Data Centres Malaysia (Labuan)
- **Best Project Finance Deal (Malaysia)**
  - Bridge Data Centres Malaysia (Labuan)
- **Best Property Deal (Malaysia)**
  - WG Data Hub Sdn Bhd
- **Best Sustainable Finance Deal (Malaysia) - Highly Commended**
  - WG Data Hub Sdn Bhd
- **Most Innovation Deal (Malaysia) - Highly Commended**
  - WG Data Hub Sdn Bhd
- **Best Syndicated Loan Deal (Malaysia) - Highly Commended**
  - WG Data Hub Sdn Bhd

FinanceAsia Awards 2025

- **Best Sustainable Bank - International (Malaysia)**
- **Best Bank - International (Malaysia)**

Global Finance

- **Best Mobile Banking App**
- **Best Bank in Malaysia**

Graduan Brand Awards

- **Most Preferred Employer in Foreign Bank Category**

Great Place to Work Institute

- Great Place to Work 2025

HR Asia Awards 2025

- Best Companies to Work for in Asia
- Most Caring Company

IFR Asia Awards 2025

- Best Islamic Deal

International Finance

- Best Customer Centric Mobile Banking Solutions
- Best Mobile Banking App

TalentCorp Life at Work Awards

- Employee Care and Wellbeing (1st Runner Up)
- Best International Organisation (2nd Runner Up)

Retail Banker International

- Excellence in Mobile Banking
- Best Adoption of Real-Time Payments

Talentbank's Graduates' Choice Award 2025

- Top 10 in Banking

The Asset Triple A Awards for Sustainable Finance 2025

- Malaysia Best Green Loan
  - LQ Retail / LQ Hotel

The Asset Triple A Islamic Finance Awards 2025

- Best ASEAN Green SRI Sukuk
  - Exsim Capital Resources
- Best Sukuk - Financial Institution
- Best New Sukuk - Healthcare
  - Pantai Holdings
- Best Hybrid Sukuk
  - Yinson Holdings

The Asset Triple A Sustainable Infrastructure Awards 2025

- Green Project of the Year
  - Princeton Digital Group Malaysia Alpha
- Logistics Deal of the Year
  - Global Vision Logistics
- Transport Deal of the Year - Railway
  - Malaysia Rail Link

The Digital Banker

- Best Digital Bank for CX
- Best Retail Bank for Digital CX

The Digital Banker: Global Retail Banking Innovation Award 2025

- Best Bancassurance Product of the Year
- Best Savings Account - Malaysia
- Best Digital Insurance Platform - Malaysia

Chairman's Statement



In 2025, the global economy demonstrated greater resilience than anticipated, despite increased trade volatility and ongoing geopolitical uncertainties. Inflation stayed moderate, aided by soft commodity prices and competitive regional supply dynamics. These conditions supported export-led economies, including Malaysia, and reinforced confidence in the region's medium-term prospects.

Against this backdrop, UOB Malaysia delivered another strong set of performance in 2025. The Bank achieved a record net profit before tax of RM2.5 billion, reflecting a 15.6 per cent increase compared to the previous year's figure of RM2.2 billion. This was driven by a 9.5 per cent growth in operating profit and a lower level of expected credit losses, supported by writebacks of non-impaired assets. Operating income increased 4.5 per cent year on year to RM4.9 billion, mainly due to a RM183 million increase in net interest income contributed by an improved CASA mix. Total expenses decreased by 0.4 per cent or RM9.0 million, reflecting continued cost discipline across the Bank.

Gross loans, advances and financing expanded by 2.8 per cent year on year or RM3.1 billion, supported by both retail and non-retail segments. Non-bank deposits rose 5.8 per cent to RM121.3 billion compared with RM114.6 billion in 2024. Capital remained strong, with a Common Equity Tier 1 ratio of 14.7 per cent and a Total Capital Ratio of 17.9 per cent after accounting for the proposed final dividend. These results underscore the Bank's prudent risk management, disciplined balance sheet approach and commitment to sustainable growth.

Driving Strategic Growth with Confidence and Purpose

As we look ahead to 2026, the global economy is expected to face headwinds with global growth expected to hold steady albeit at a slower pace. The sharp escalation of conflict in the Middle East has significantly heightened geopolitical risks and market volatility, with potential implications for global energy markets, trade flows and supply chains. Persistent tariff uncertainties and intensifying economic fragmentation will also reshape trade and investment flows. These headwinds are expected to be partly mitigated by continued policy support and a more moderate impact from earlier trade measures, helping to maintain overall stability in the operating environment.

Malaysia is expected to maintain a positive growth trajectory, underpinned by resilient domestic demand, a stable labour market and steady investment flows. Ongoing national initiatives to strengthen economic complexity and build higher value-added sectors are enhancing the country's regional competitiveness. At the same time, continued structural reforms reinforces Malaysia's long-term economic resilience. Although maintaining a cautious perspective is prudent given prevailing uncertainties, Malaysia's economy continues to benefit from a range of diversified growth drivers, strong institutional capabilities, robust energy infrastructure, improving fundamentals and proactive policy initiatives. As a bank, we remain committed to navigating these conditions with confidence and purpose, ensuring that we deliver sustainable value to all our stakeholders.

Chairman's Statement (Continued)

Board acknowledgements

I would like to express my sincere appreciation to our management team and dedicated employees for their unwavering commitment to advancing the Bank's mission, delivering excellence to our customers and stakeholders and upholding our sustainability ambitions. I also extend my appreciation to my fellow Board members for their guidance, expertise and steadfast support in steering the Bank through an evolving operating environment.

On behalf of the Board, I would also like to extend our gratitude to our customers and partners. Your continued trust in us is reflected in our recognition as Best Bank in Malaysia by Global Finance for the second consecutive year for 2025 and 2026; as well as accolades from FinanceAsia 2025 as Best Bank in Malaysia (International category) and Best Sustainable Bank in Malaysia (International category), among others.

As we look ahead, UOB Malaysia remains dedicated to responsible growth, stronger client engagement and making an impactful contribution to Malaysia's economic future.

Ching Yew Chye
Chairman

May 2026

Board of Directors and its Committees

As at 1 April 2026

Board

- Ching Yew Chye (Chairman)
  Independent
- Wee Ee Cheong (Deputy Chairman)
  Executive
- Ng Wei Wei
  Managing Director and Chief Executive Officer
- Chin Shoon Chong, Arthur
  Independent
- Tunku Alina Binti Raja Muhd Alias
  Independent
- Datin Paduka Sarena Cheah Yean Tih
  Independent

Nominating Committee

- Tunku Alina Binti Raja Muhd Alias (Chairperson)
- Wee Ee Cheong
- Chin Shoon Chong, Arthur
- Datin Paduka Sarena Cheah Yean Tih

Remuneration Committee

- Tunku Alina Binti Raja Muhd Alias (Chairperson)
- Chin Shoon Chong, Arthur
- Datin Paduka Sarena Cheah Yean Tih

Risk Management Committee

- Chin Shoon Chong, Arthur (Chairman)
- Ching Yew Chye
- Tunku Alina Binti Raja Muhd Alias
- Datin Paduka Sarena Cheah Yean Tih

Audit Committee

- Datin Paduka Sarena Cheah Yean Tih (Chairperson)
- Chin Shoon Chong, Arthur
- Tunku Alina Binti Raja Muhd Alias

Board of Directors

As at 1 April 2026



Ching Yew Chye

Board Chairman
Independent

Appointed as a director: 1 June 2018
Appointed as Board Chairman: 16 June 2023

Board Committee Position

- Risk Management Committee (Member)

Skills and Experience

Mr Ching started his career in Robert Horne Group of Companies in Northampton, England in 1977 and thereafter moved on to Scicon Consultancy in London, England in 1979. He then joined Accenture in 1982, a global management consulting, technology services and outsourcing company listed on the New York Stock Exchange. He retired from Accenture as Senior Partner in May 2007 after a successful career spanning of more than 25 years of service.

Current Directorship in Other Companies and Principal Commitments

- AIA General Berhad (Chairman)
- Genting Plantations Berhad (Director)

Past Directorships in Other Companies and Principal Commitments

- AIA Bhd (Chairman)
- Petronas Chemicals Group Berhad (Director)
- HSBC Bank Malaysia Berhad (Director)
- Avenue Invest Berhad (Director)
- China YuChai Limited (Director)
- Yorkville Advisors HK Ltd (Member of Advisory Board)
- YTL Starhill Global REIT Management Limited (Director)

Education and Achievements

- Bachelor of Science (Honours), University of London, UK

Board of Directors

As at 1 April 2026



Wee Ee Cheong

Deputy Chairman
Executive

Appointed as a director: 23 March 1994
Appointed as Deputy Chairman: 25 July 2001

Board Committee Position
- Nominating Committee (Member)

Skills and Experience
A career banker with more than 40 years' experience in the UOB Group. Mr Wee is also active in the banking and financial services industry and the community through his involvement in various industry-based organisations.

Current Directorship in Other Companies and Principal Commitments
- United Overseas Bank Limited (Deputy Chairman and Chief Executive Officer)
- United Overseas Insurance Limited (Chairman)
- PT Bank UOB Indonesia (President Commissioner)
- United Overseas Bank (China) Limited (Chairman)
- United Overseas Bank (Thai) Public Company Limited (Chairman)
- The Association of Banks in Singapore (Council Member)
- The Institute of Banking & Finance (Council Member)
- Singapore-China Foundation (Member, Board of Governors)
- Singapore Chinese Chamber of Commerce & Industry (Honorary Council Member)
- Nanyang Academy of Fine Arts (Patron)
- Wee Foundation (Director)

Past Directorships in Other Companies and Principal Commitments
- Far Eastern Bank Limited (Director)
- Pan Pacific Hotels Group Limited (Director)
- United International Securities Ltd (Director)
- UOL Group Limited (Director)
- Housing & Development Board (Deputy Chairman)
- Port of Singapore Authority (Director)
- Visa AP Senior Client Council (Member)

Education and Achievements
- Master of Arts (Applied Economics), American University, Washington, DC
- Bachelor of Science (Business Administration), American University, Washington, DC
- Singapore Public Service Star (2013)
- Singapore Corporate Awards, Best CEO (large cap listed companies) (2022)
- The Asian Banker CEO Leadership Achievement for Singapore Award (2022)
- The Business Times Businessman of the Year (2021/2022)
- The Investors' Choice Outstanding CEO Award by Securities Investors Association (Singapore) (2024)
- The Digital Banker's CEO of the Year for Asia Pacific (2025)



Ng Wei Wei

Managing Director and Chief Executive Officer

Appointed to the Board as Managing Director and Chief Executive Officer: 1 May 2022

Board Committee Position

- Nil

Skills and Experience

Ms Ng is a career banker with over two decades of experience. She has held various senior country and regional leadership roles at global financial institutions in Malaysia and Hong Kong. In 2019, she returned to UOB Malaysia as the Managing Director and Country Head of Wholesale Banking and was subsequently promoted to Deputy CEO in 2021.

Since taking the helm as CEO in 2022, Ms Ng has led a bold transformation of UOB, strengthening its position in regional connectivity, sustainability, and digitalisation. She actively spearheads initiatives to facilitate foreign direct investment into the country and the region, while advancing Malaysia's green agenda. Under her leadership, UOB Malaysia has earned prominent industry accolades, including Malaysia's Best Bank at Global Finance's World's Best Bank Awards 2026 and 2025, as well as Best Bank and Best Sustainable Bank in the International Categories at the 2025 FinanceAsia Awards.

Ms Ng is a strong advocate for sustainability, talent development, and women empowerment in the workforce, and is frequently invited to share her insights on these topics at public forums. She formed the Bank's inaugural Diversity, Equity and Inclusion (DEI) committee to champion an inclusive workplace culture and build a strong commitment to DEI across all levels of the bank through various initiatives and activities. She has also been recognised both internationally and locally for her leadership, influence and contributions to the community. She was named among Fortune's Most Powerful Women in Asia 2025, a distinction that recognises 100 influential leaders driving transformation across the region.

Current Directorship in Other Companies and Principal Commitments

- The Association of Banks in Malaysia (Council Member)
- The Asian Institute of Chartered Bankers (Council Member)

Past Directorships in Other Companies and Principal Commitments

- Nil

Education and Achievements

- Bachelor of Commerce with double major in Accounting and Management, Monash University of Melbourne, Australia
- Chartered Banker, Chartered Banker Institute, United Kingdom
- Chartered Banker, Asian Institute of Chartered Bankers
- Fellow Certified Practising Accountant (FCPA) by CPA Australia
- Distinguished alumnus honoured on the inaugural Monash Malaysia Business School Wall of Fame (2024)
- The ASEAN Woman Banker Lifetime Achievement Award, ASEAN Banking & Finance Summit (2025)
- CEO Champion in the International Organisation category, Talentcorp's Life At Work Awards (2025)

Board of Directors

As at 1 April 2026



Chin Shoon Chong, Arthur

Independent

Appointed as a director: 10 April 2023

Board Committee Position
- Risk Management Committee (Chairman)
- Audit Committee (Member)
- Nominating Committee (Member)
- Remuneration Committee (Member)

Skills and Experience
Mr Arthur Chin started his career as an auditor since 1988. In 1992, he joined KPMG and was appointed as Partner in 2007 until his retirement in December 2021 as KPMG Financial Services partner after having a career span of more than 30 years of experience in audit and related fields involving initial public offering, accounting advisory, corporate advisory, restructuring and due diligence review. Being a partner of KPMG, he was involved in financial services audit mainly in foreign owned banks as well as some insurance companies in Malaysia. He also led audits in other industries such as credit services, steel and aluminium, pharmaceutical and healthcare, consumer and industrial goods.

Current Directorship in Other Companies and Principal Commitments
- Nil

Past Directorships in Other Companies and Principal Commitments
- Nil

Education and Achievements
- Malaysian Institute of Certified Public Accountants (Member)
- Malaysian Institute of Accountants (Member)
- Chartered Institute of Management Accountants (CIMA), UK (Member)



Tunku Alina Binti Raja Muhd Alias

Independent

Appointed as a director: 1 September 2023

Board Committee Position
- Nominating Committee (Chairperson)
- Remuneration Committee (Chairperson)
- Audit Committee (Member)
- Risk Management Committee (Member)

Skills and Experience
Tunku Alina is an experienced independent director serving on multiple boards of public listed and private companies. She is a lawyer by profession and is a trained mediator and facilitator. She volunteers as an advisor to United Nations Global Compact Malaysia-Brunei and as Endeavor Malaysia mentor to start-up entrepreneurs. Sustainability and corporate governance, with an emphasis on climate change risks and board progression, are her focus areas and to this end, she frequently contributes in activities and programmes by the Institute of Corporate Directors Malaysia, Leadwomen and the 30% Club Malaysia Chapter.

Current Directorship in Other Companies and Principal Commitments
- Nestle Malaysia Berhad (Director)
- Inari Amertron Berhad (Director)
- Batu Kawan Berhad (Director)
- JA Russell & Co Sdn Bhd (Chairperson)
- Joyous Waves Sdn Bhd (Director)

Past Directorships in Other Companies and Principal Commitments
- Harps Holdings Berhad (Chairperson)
- Malaysian Building Society Berhad (Director)
- MBSB Bank Berhad (Director)
- Chemical Company of Malaysia Berhad (Director)
- Malaysian Pacific Industries Berhad (Director)
- IJM Corporation Berhad (Director)

Education and Achievements
- Bachelor of Laws, University of Malaya
- Masters in Law, King's College, London
- Advance Management Programme, Oxford University – Green Templeton College
- PhD in Islamic Finance, International Centre for Education in Islamic Finance



Datin Paduka Sarena Cheah Yean Tih

Independent

Appointed as a director: 1 January 2025

Board Committee Position

- Audit Committee (Chairperson)
- Nominating Committee (Member)
- Remuneration Committee (Member)
- Risk Management Committee (Member)

Skills and Experience

Datin Paduka Sarena started her career with Sunway Group since 1995, with active involvement in Corporate Finance, Internal Audit and Business Development divisions, across various business segments including education, healthcare and property development. On 1 May 2015, she was appointed as Managing Director of the Property Development Division, Malaysia/Singapore and as Executive Deputy Chair on 2 January 2025.

Current Directorship in Other Companies and Principal Commitments

- Sunway Berhad Group (Executive Deputy Chair)
- Sunreit Capital Berhad (Director)
- Sunreit Bond Berhad (Director)
- Sunreit Perpetual Bond Berhad (Director)
- Sunway Healthcare Holdings Berhad (Alternate Director)
- Yayasan Raja Muda Selangor (Trustee)
- Malaysian Investment Development Authority (MIDA) (Director)

Past Directorships in Other Companies and Principal Commitments

- Real Estate Housing and Developers Association Malaysia (REHDA) (Member)
- Bank of America (Malaysia) Berhad (Director)
- Institute of Corporate Directors Malaysia (Director)

Education and Achievements

- Bachelor of Commerce (Accounting and Finance), University of Western Australia
- Master's Degree in Business Administration, Melbourne Business School
- Australian Society of Certified Practising Accountants (Fellow Member)
- Capital Markets Services Representative's License (CMSRL), Securities Commission of Malaysia

Corporate Information

As at 1 January 2026

Management Committee Members

Ng Wei Wei
Chief Executive Officer

Cheah Shu Kheem, Andy
Country Head, Wholesale Banking

Lee Che Kong
Country Head, Global Markets

Tan Tii Lam
Chief Risk Officer

Phuah Ah Keng
Country Head, Channels & Digitalisation

Salika Suksuwan
Country Head, Human Resources

Abdul Razak bin Abdul Malek
Acting Head, Islamic Banking

Chang Yeong Gung
Chief Financial Officer

Fan Lee Boey, Elaine
Country Head, Retail & Personal Financial Services

Mohamad Fazli Mohamad Sarujee
Country Head, Technology & Operations

Loke Chee Keen, Daniel
Country Head, Compliance

Wong See Hong, Bill
Country Head, Internal Audit

Wan Yoke Nee, Penny
Country Head, Legal & Secretariat

Secretaries
Wan Yoke Nee, Penny
Lai Su Ming

Auditors
Ernst & Young PLT
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

Share Capital
Share capital: RM792,555,000

Registered Office
Level 22, UOB Plaza 1 Kuala Lumpur,
No. 7 Jalan Raja Laut,
50350 Kuala Lumpur

Head Office
UOB Plaza 1 Kuala Lumpur,
No. 7 Jalan Raja Laut,
50350 Kuala Lumpur

Telephone: 03-2692 7722
Facsimile: 03-2694 4552
SWIFT: UOVBMYKL
Email: uobcustomerservice@UOB.com.my
Website: www.UOB.com.my

Branch Network

Federal Territory / Negeri Sembilan

Main Branch

Kuala Lumpur Main Branch
Level Ground Floor Loft, UOB Plaza 1
7, Jalan Raja Laut
50350 Kuala Lumpur
Deputy Head: Jonathan How Boon Seong

Greater Kuala Lumpur
Level 16, Menara Citibank
165, Jalan Ampang
50450 Kuala Lumpur
Area Manager: Georgina Tia Lee Ping

Federal Territory

Kuala Lumpur Main Branch
Ground Floor, UOB Plaza 1
7, Jalan Raja Laut
50350 Kuala Lumpur
Manager: Joe Ng Weng Bu

Bangsar Branch
Bangunan Bangsaria
45E, Jalan Maarof
Bangsar Baru
59100 Kuala Lumpur
Manager: Jenny Lim Hsin Ee

Jalan Imbi Branch
197-199, Jalan Imbi
55100 Kuala Lumpur
Manager: Claire Wong Chai Chee

Jalan Pudu Branch
408-410, Jalan Pudu
55100 Kuala Lumpur
Manager: Max Ong Chun-Chiat

Kepong Branch
82, Ground Floor
Jalan 3/62D, Medan Putra Business Centre
Sri Menjalara, Off Jalan Damansara
52200 Kuala Lumpur
Manager: James Lim Ming Thiong

Sri Petaling Branch
1, Jalan Radin Bagus 6
Bandar Baru Sri Petaling
57000 Kuala Lumpur
Manager: Johnsen Phoon Leong Yew

Jalan Ampang Branch
Level 1, Menara Citibank
No 165, Jalan Ampang
50450 Kuala Lumpur
Manager: Mona Tan Swee Ling

Selangor

Ampang Branch
495, Jalan Lima
Taman Ampang Utama
Jalan Ampang
68000 Ampang, Selangor
Manager: Yeoh Kean Hiong

Cheras Branch
35, Jalan Desa Cahaya 11
Taman Desa Bukit Cahaya
56100 Cheras, Selangor
Manager: Wendy Yap Nyet Foong

Bandar Tun Hussein Onn (Digital Self-Service Branch)
No 54 A, B & C, Jalan Suarasa 8/4,
Bandar Tun Hussein Onn,
43200 Cheras

Negeri Sembilan

Seremban Branch
24-26, Jalan Dato Lee Fong Yee
70000 Seremban
Manager: Jeffrey Liewn Chee Kean

Selangor

Selangor Area Centre

1, Jalan SS21/58, Ground Floor
Uptown 1, Damansara Uptown
47400 Petaling Jaya
Area Manager: Tracia Kek Choon Yian

Bandar Bukit Tinggi Branch
32A, Lorong Batu Nilam 4b
Bandar Bukit Tinggi 1
41200 Klang
Manager: Sze Shin Khai

Damansara Uptown Branch
1, Jalan SS21/58
Ground Floor, Uptown 1, Damansara Uptown
47400 Petaling Jaya
Manager: Andy Loo Say Chye

Ijok Branch
57, Jalan PPAJ 3/1
Pusat Perdagangan Alam Jaya
42300 Bandar Puncak Alam
Manager: Violet Koh Geok Lan

Jalan Othman Branch
39-45, Jalan Othman
46000 Petaling Jaya
Manager: Jeffery Wong Wen Yeong

Jalan Tengah Branch
2-6, Jalan Tengah
46200 Petaling Jaya
Manager: Vanessa Yew Shok Leng

Klang Branch
2108, Jalan Meru
41050 Klang
Manager: Violet Koh Geok Lan

Kota Damansara Branch
48, Jalan PJU 5/8
Dataran Sunway
Kota Damansara
47810 Petaling Jaya
Manager: Ching Wei Peng

Puchong Branch
6, Jalan Kenari 5
Bandar Puchong Jaya
47100 Puchong
Manager: Susan Ee Sook Sun

USJ Taipan Branch
No 7, Jalan USJ 10/1
USJ Taipan Triangle
47620 UEP Subang Jaya
Manager: Samantha Wong Thien Sen

Bandar Puteri Puchong Branch
No 26, Jalan Puteri 1/1, Bandar Puteri,
47100 Puchong
Manager: Susan Ee Sook Sun

Centro Klang Branch
G101, Centro Business Centre,
8, Jalan Batu Tiga Lama,
41300 Klang
Manager: Sze Shin Khai

Damansara Perdana Branch (Digital Self-Service Branch)
Lot W106 & W107
Metropolitan Square Centre Wing,
Jalan PJU 8/1, Damansara Perdana
47820 Petaling Jaya

Pahang / Terengganu / Kelantan

East Coast Area
2, Jalan Besar
25000 Kuantan
Area Manager: Wei Hui Kim

Pahang

Kuantan Branch
2, Jalan Besar
25000 Kuantan
Manager: Lee Kar Choon

Bentong Branch
61-62, Jalan Loke Yew
28700 Bentong
Manager: Karen Lee Shek Fern

Raub Branch
14 & 16, Jalan Tun Razak
27600 Raub
Manager: Karen Lee Shek Fern

Terengganu

Kuala Terengganu Branch
51, Jalan Sultan Ismail
20200 Kuala Terengganu
Manager: An Tay Pei Yian

Kelantan

Kota Bharu Branch
No 724, Jalan Sultanah Zainab
15000 Kota Bharu
Manager: Wei Hui Kim

Perak / Pulau Pinang / Kedah

North Area Centre

1st Floor, 64E-H, Lebuh Bishop
10200 Pulau Pinang
Area Manager: Tan Yang Cheng

Perak

Ipoh Branch
2, Jalan Dato' Seri Ahmad Said
30450 Ipoh
Manager: Caryl Shim Weng Han

Pulau Pinang

Bukit Mertajam Branch
1, Jalan Tembikai
Taman Mutiara
14000 Bukit Mertajam
Manager: Kenny Kang Chin Chiat

Butterworth Branch
4071 & 4072, Jalan Bagan Luar
12000 Butterworth
Manager: Tay G. Lim

Jalan Kelawei Branch
9, Jalan Kelawei
10250 Pulau Pinang
Manager: Lee Ai Pin

Lebuh Bishop Branch
64E-H Lebuh Bishop
10200 Pulau Pinang
Manager: Ang Zhen Yao

Penang Garden Branch
No 42, Jalan Sultan Ahmad Shah
10050 Pulau Pinang
Manager: Celina Khor She Ying

Bukit Tengah (Digital Self-Service Branch)
1819-B, Jalan Perusahaan
13600 Seberang Perai
Pulau Pinang

Kedah

Alor Setar Branch
55, Jalan Gangsa
Kawasan Perusahaan Mergong 2
05150 Alor Setar
Manager: Angela Eng Seah Yeam

Sungai Petani Branch
No 4, Jalan Cempaka 1/3
Amanjaya Square
08000 Sungai Petani
Manager: Jaslyn Law Chew Shih

Melaka / Johor

South Area Centre

Bangunan UOB
8, Jalan Ponderosa 2/1
Taman Ponderosa
81100 Johor Bahru
Area Manager: Goh Boon Siang

Melaka

Kota Laksamana Branch
No 24, Jalan KLJ 4
Taman Kota Laksamana Jaya
75200 Melaka
Manager: Maria Tan Swee Tin

Malim Branch
1, Jalan PPM 8, Plaza Pandan
Malim Business Park
Jalan Balai Panjang
75250 Melaka
Manager: Cheryn Kuan Siew Mun

Durian Tunggal (Digital Self-Service Branch)
DT3615, Jalan Angkasa Nuri
1, Taman Angkasa Nuri
76100 Durian Tunggal, Melaka

Johor

Muar Branch
10, Jalan Pesta 1/1
Kg. Kenangan Tun Dr. Ismail (1)
Jalan Bakri
84000 Muar
Manager: Rowanne Gan Siok May

Batu Pahat Branch
Ground Floor, Wisma Sing Long
9, Jalan Zabedah
83000 Batu Pahat
Manager : Livia Wong Li Ngoh

City Square Branch
Lot 1-23, Johor Bahru City Square
106-108, Jalan Wong Ah Fook
80888 Ibrahim Intl Business District, Johor
Manager: Ricky Teo Choh Meng

Kluang Branch
14-16, Jalan Dato Kapt Ahmad
86000 Kluang
Manager: Eric Ong Zi Long

Kulai Branch
No 245, Jalan Kiambang 10
Vervocity, Indahpura
81000 Kulai

Taman Ponderosa Branch
Bangunan UOB
Ground Floor, No 8, Jalan Ponderosa 2/1
Taman Ponderosa
81100 Johor Bahru
Manager: Rachel Chong Siet Foon

Southkey Mozek Branch
#01-01, Block C
Komersil Southkey Mozek
Persiaran Southkey1
Kota Southkey
80150 Johor Bahru
Manager: Lim Fang Chii

Nusa Bestari (Opening 08/06/2026)
No 31 (en-bloc) & No 33 (ground floor)
Jalan Bestari 12/2
Taman Nusa Bestari
81300 Skudai

Sabah / Sarawak

East Malaysia Area

UOB Tower CT160, Level 1
Block C, iCom Square
Jalan Pending
93450 Kuching
Area Manager: Lee Kui Ping

Sabah

Kota Kinabalu Branch
Bangunan UOB
70, Jalan Gaya
88000 Kota Kinabalu
Manager: Donald Hew Chun Kie

Sandakan Branch
Lot 91 & 92, Block 10
Bandar Prima Square, Jalan Utara
90000 Sandakan
Manager: Sarah Lee Che Hui

Tuaran Branch
9 & 10, Jalan Datuk Dusing
89208 Tuaran
Manager: Donald Hew Chun Kie

Sarawak

Sibu Branch
8, Lorong 7A Jalan Pahlawan
Jaya Li Hua Commercial Centre
96000 Sibu
Manager: Terrence Chen Cheng Horng

Miri Branch
108 & 110, Jalan Bendahara
98000 Miri
Manager: Jeremy Lim Wei Yaw

Kuching Branch
UOB Tower CT160, Level 1
Block C, iCom Square
Jalan Pending
93450 Kuching
Manager: Emily Rolanda Yong

Bintulu Branch
207 & 208, Parkcity Commerce Square
(Phase III), Jalan Tun Ahmad Zaidi
97000 Bintulu
Manager: Kuan Tze Loi



United Overseas Bank (Malaysia) Bhd and its subsidiaries

31 December 2025

Governance

32 Corporate Governance
43 Pillar 3 Disclosure
119 Climate-Related Disclosures



Corporate Governance

Board of Directors - Composition, Function and Conduct

The Board of UOB (Malaysia) upholds strong corporate governance, which is vital to the Bank's growth and success. The Board, together with Management, ensures that principles of good corporate governance are upheld and observed across the entire Bank. The Bank's corporate governance practices are guided by the principles set out in the Policy on Corporate Governance issued by Bank Negara Malaysia (BNM) and the Malaysian Code on Corporate Governance.

Board Duties

The Board's responsibilities, as set out in its Charter include:

- providing strategic direction, entrepreneurial leadership and guidance;
- approving annual business plans and budget;
- ensuring the financial statements are true and fair;
- monitoring financial performance;
- determining capital/debt structure;
- setting dividend policy and declaring dividends;
- reviewing risk management framework/policies, culture and internal controls;
- reviewing and approving Internal Ratings Based Framework; and
- managing Money Laundering/Terrorism Financing risks.

The Board also approves other material matters pertaining to remuneration policy, risk appetite, technology, data and productivity initiatives, policies relating to Shariah matters, Islamic Banking products and services, and matters reserved to the Board by the requirements of law and the regulators.

The Board receives updates through regular management reports, and interacts with Management outside of Board meetings. These would enable the Board to oversee the Bank's performance, operations and governance initiatives with greater depth and understanding.

Board Delegation

Four Board Committees, namely the Nominating Committee (NC), Remuneration Committee (RC), Risk Management Committee (RMC) and Audit Committee (AC) are set up to support and supplement the Board in its roles and responsibilities, through delegation of authority from the Board.

Each of the Board Committee operates within defined terms of reference (TORs) which set out the committee's composition, roles and responsibilities, operating processes including decision-making by the committee and reporting to the Board. These TORs are reviewed annually for continued relevance. After each Board Committee meeting, the chairman/chairperson of the respective Board Committees reports to the Board on significant issues and concerns discussed, and where applicable, recommendations made during the meetings.

Common membership in the Board Committees facilitates the sharing of information between relevant Board Committees and enables better coordination of the work among the Board Committees.

Board and Board Committee Meetings

Board and Board Committee meetings are scheduled well ahead of the start of a calendar year. Additional meetings are held during the year if required by circumstances. Directors are informed of meeting dates well in advance and received comprehensive information related to the agenda items prior to a meeting. Papers for a meeting are uploaded onto a secure portal which directors can access via tablet devices provided by the Bank.

Managing Potential Conflicts of Interests

Each director is required to act honestly, in good faith and with due care and diligence when exercising his/her powers. All directors have to notify the Bank in a timely manner of any change in interests or other appointments. Where a director has an interest in a matter being discussed, he/she is required to recuse himself/herself from the discussion and abstain from voting on the matter.

Board Attendance

Directors' attendance at Board and Board Committee meetings in 2025 is set out in the table below. The contributions of directors go beyond their attendance at formal meetings. Directors have individually or collectively engaged Management outside formal meetings in their oversight of the affairs of the Bank.

	Number of meetings attended in 2025				
	Board of Directors	Audit Committee	Risk Management Committee	Remuneration Committee	Nominating Committee
Mr Ching Yew Chye[1]	4^	N/A	4	N/A	N/A
Mr Wee Ee Cheong	4	N/A	N/A	N/A	3
Ms Ng Wei Wei	4	N/A	N/A	N/A	N/A
Mr Arthur Chin Shoon Chong[2]	4	4	4^	2	3
Tunku Alina Raja Muhd Alias	4	4	4	2^	3^
Datin Paduka Sarena Cheah Yean Tih[3]	4	4^	3	2	3
Number of meetings held in 2025	4	4	4	2	3

^ Chairman/Chairperson of Committee.
[1] Mr Ching Yew Chye resigned as Member of Audit Committee, Remuneration Committee and Nominating Committee on 1 January 2025.
[2] Mr Arthur Chin Shoon Chong was re-designated as Member of Audit Committee on 1 April 2025.
[3] Datin Paduka Sarena Cheah Yean Tih was appointed as Independent Director of UOB (Malaysia) and Member of Audit Committee, Risk Management Committee, Remuneration Committee and Nominating Committee on 1 January 2025. Subsequently, she was re-designated as Chairperson of Audit Committee on 1 April 2025.

Board Independence, Composition and Diversity

The Board currently comprises six members, the majority of whom are independent directors. Mr Ching Yew Chye, Mr Arthur Chin Shoon Chong, Tunku Alina binti Raja Muhd Alias and Datin Paduka Sarena Cheah Yean Tih (who was appointed on 1 January 2025) are independent directors. Annually, the NC assists the Board to assess the overall composition and effectiveness of the Board and Board Committees as well as each director's independence according to the criteria in BNM's Guidelines on Corporate Governance. For the year under review, the NC concluded that the independent directors continue to demonstrate conduct and behaviour that are essential indicators of independence and that each of them continues to fulfil the definition of independence.

The profiles of the directors can be found in the Board of Directors section of this report. Collectively, the directors have vast and varied experience in banking, finance, technology, business and management, and the skills and expertise relevant to the business of the Bank. The Board leverages the range of skills, expertise, experience and insights of its members in the discharge of its duties. The on-going review, appointment and re-appointment of the directors has ensured that the Board comprises a composition of longer-serving directors and newer ones to provide continuity and stability and to facilitate knowledge transfer.

The NC also adopts a Board skills map that charts the skills, expertise and experience of the incumbent directors, which serves as a resource to help identify any capabilities that could be enhanced in the Board and Board Committees.

Chief Executive Officer

Ms Ng Wei Wei, who is also the CEO of UOB (Malaysia), leads the management team and implements the strategies of the Bank as well as the decisions of the Board. With the assistance of senior management, the CEO takes executive responsibility for the day-to-day operations and business of the Bank, including seeking business opportunities and ensuring the system of internal controls and risk management framework and policies of the Bank are relevant, adequate and effective. The CEO also ensures that the Bank provides a conducive and healthy work environment for employees and the values of the Bank are observed in the Bank's activities.

Induction and Continuous Development

Training and development are important to enable the Board to keep abreast of prudential requirements and best practices. For the year under review, the Board had attended various training programmes related to their duties as directors including board culture, Islamic finance, artificial intelligence, sustainability, banking trends, technology risk management, cyber security and anti-money laundering. As part of the Bank's continuous development programmes, new and existing directors receive training on topics that are relevant to the business of the Bank and thereby providing the directors with the relevant knowledge and skills to perform their roles effectively. They also attended external programmes organised by FIDE Forum and Asia School of Business.

A new director receives an induction package upon appointment. The package includes amongst other materials, the articles of directorship which enumerate a director's general duties, obligations and responsibilities, the Board Charter, TORs of the Board Committees, and guidance on directors' duties and relevant company policies. The induction process consists of meetings with key senior management and briefings on key areas of the Bank's business, risk management and support functions. A new director who is also appointed to serve on Board Committees is briefed on specialised or technical topics relevant to the activities of those Board Committees.

Access to Information

Directors have unfettered access to information, the internal and external auditors and senior management for the purpose of carrying out their duties. Comprehensive information is provided to directors in advance of each meeting to enable their deliberation and decision-making at the meeting. The information provided includes financial, strategic, risk management and operational reports. Directors may approach Management should they require additional information. Senior executives are present at meetings to provide additional information or clarification on matters tabled. Where relevant, professional advisers may be invited to brief the Board or Board Committees.

Whether individually or as a group, directors may seek independent professional advice in the course of discharging their duties at the expense of the Bank.

Role of Company Secretaries

The Board is supported by the Secretariat team and has independent access to the company secretaries, whose appointment and removal are subject to the Board's approval. The company secretaries are responsible to ensure that Board procedures are adhered to, advise the Board on corporate governance matters, assist the Board to monitor the execution of its decisions and facilitate communication between the Board and senior management. The company secretaries also organise the induction of new directors and the directors' continuous development programmes, and provide updates on applicable laws and regulations.

Board Committees

The NC, RC, RMC and AC have been constituted in accordance with BNM's Policy on Corporate Governance. The roles and duties of each Board Committee are explained further in this section.

Nominating Committee

The main responsibilities of the NC are as follows:

- review nominations for appointment and re-appointments as well as removal of directors, Shariah Committee members, CEO and key senior management officers and company secretaries;
- review the size and overall composition of the Board and Board Committees annually and to ensure the Board and each Board Committee has an appropriate size and mix of competencies;
- assess the effectiveness of the Board and Board Committees, as well as contribution and performance of each director to the effectiveness of the Board;
- assess the independence of each director annually based on the criteria in BNM's Policy on Corporate Governance;
- assess the performance of Shariah Committee members, CEO, key senior management officers and the company secretaries;
- ensure all directors receive an appropriate continuous development programme in order to keep abreast with the latest developments in the industry;
- assess the fitness and propriety of directors, Shariah Committee members, CEO, key senior management and company secretaries; and
- oversee the succession plan for the Board, CEO and key senior management officers

Remuneration Committee

The main duties of the RC are as follows:

- provide a formal and transparent procedure for developing remuneration policy for directors, Shariah Committee members, CEO and key senior management officers;
- ensure that compensation is competitive and consistent with UOB (Malaysia)'s culture, objectives and strategy; and
- oversee the design and operation of the Bank's remuneration system, and recommends the framework of remuneration for directors, Shariah Committee members, CEO and key senior management officers for the Board's approval.

Each year, RC reviews and ensures the remuneration package is sufficient to attract and retain directors, Shariah committee members, CEO and key senior management officers.

Risk Management Committee

The RMC oversees risk management matters. Key areas of oversight include the following:

- establishment and operation of a robust and independent risk management system on an enterprise-wide basis, policies, processes and procedures to identify, monitor, control and report risks;
- review the adequacy and effectiveness of the risk management framework in managing credit, market, liquidity, interest rate, operational, financial crime, legal, conduct, regulatory compliance, Shariah non-compliance, technology, environmental and reputational risks;
- review the Bank's framework in managing Anti Financial Crime and risks arising thereof;
- review risk management strategies, policies and risk appetite;
- review bank-wide stress test scenarios, assumptions, parameters and results, reasonableness of proposed actions and contingency plans, and senior management's attestation on the overall state of business continuity preparedness of the Bank;
- provide oversight over technology-related matters;
- examine whether incentives provided by the remuneration system take into consideration risks, capital, liquidity and the likelihood and timing of earnings, without prejudice to the tasks of the RC;
- approve the appointment, resignation and dismissal of the Chief Risk Officer and review the performance of the risk management function;
- review and endorse the environmental risk management framework in managing the environmental risk and climate-related exposures;
- review and endorse the recovery and resolution plan of the Bank; and
- review and endorse framework and policy on enterprise data governance.

Audit Committee

The AC oversees the Bank's financial reporting, and the effectiveness and adequacy of the Bank's internal control system. The AC also oversees matters relating to the following:

- financial statements and quality of, and any significant change in, accounting policies and practices;
- appointment, reappointment, evaluation and remuneration of the external auditor and plans, reports and results of external audit;
- integrated fraud management;
- review of fraud and whistleblowing cases reported to the Bank;
- review of policies and procedures for detecting fraud and whistleblowing;
- the review of and updates to the Board on credit transactions and exposures with connected parties and all related party transactions;
- review the accuracy and adequacy of the chairman's statement in the directors' report, corporate governance disclosures and interim financial reports in relation to the preparation of financial statements/ reports;
- the appointment, resignation, dismissal, evaluation and compensation of the Head of Internal Audit; and
- review the adequacy and effectiveness of the Bank's governance, risk management and control processes, including financial, operational, compliance, sanctions-related and information technology controls, and material internal controls.

The AC has authority to investigate any matters within its TOR and has the full cooperation of and access to Management. It also has direct access to the internal and external auditors. The AC meets the external auditors to review the annual financial statements, nature and scope of the external audit and audit plan, significant changes in accounting standards and audit issues. The AC also meets the external auditors separately in the absence of Management at least annually. In addition, the AC reviews the adequacy of the scope, functions and resources of the internal audit function in performing its duties independently. Significant audit findings are highlighted to the AC through audit reports and at the AC meetings. The AC also meets with the internal and external auditors as often as they deem appropriate to be apprised of matters which are under review.

Each quarter, the AC meets to review the financial statements before recommending them to the Board for approval. In reviewing the financial statements, the AC assesses the accounting policies and practices applied and any judgement made that may have a significant impact on the financial statements. AC meetings may involve discussions of accounting standards and accounting practices and developments, especially those that have an impact on the business of the Bank and its reporting obligations.

The AC is also entrusted to review fraud and whistleblowing cases reported to the Bank. Annually, the AC reviews the policy governing the management of whistleblowing cases.

Financial Reporting

In presenting the annual accounts and quarterly announcements, the Board is committed to present a balanced, clear and understandable assessment of the financial position and prospect of the Bank. The Board is assisted by the AC to oversee the Bank's financial reporting by scrutinizing the information to be disclosed to ensure accuracy, adequacy and completeness. The statement by Directors in respect of preparation of the annual audited financial statements of the Bank is set out on page 181.

Internal Controls

The Bank maintains an effective and well-established system of internal controls, governance and risk management processes to ensure customers' interests and the Bank's assets are safeguarded. To meet this requirement, procedures and policies are in place to protect assets against unauthorised use or disposal; for maintaining proper accounting records; and for ensuring the reliability and usefulness of financial information.

The Bank's business and support units use various self-assessment tools to assess their compliance with internal controls, risk management processes and applicable regulations. The results of the self-assessments are regularly reviewed by Senior Management.

Internal Controls (Continued)

Internal Audit (IA) evaluates the adequacy and effectiveness of internal controls, risk management and governance processes; and their level of compliance with applicable rules and regulations. The results of the evaluation are acknowledged by Senior Management and independently reported to the Audit Committee (AC). The AC regularly reviews actions taken on lapses and deficiencies identified in reports prepared by the IA and management's responses to these recommendations to ensure lapses are dealt with adequately and promptly.

Based on the internal controls and risk management processes established and maintained by the Bank, the work performed by IA, and the reviews performed by Senior Management and the relevant Board Committees, the Board - with the concurrence of the AC and the Risk Management Committee (RMC) - is of the opinion that the Bank's systems of risk management and internal controls, including financial, operational, compliance (including AML/CFT and sanctions) and information technology controls, was adequate and effective during the year.

The Board notes that no system of risk management and internal controls can provide absolute assurance against material error, loss or fraud. UOB (Malaysia)'s system of risk management and internal controls provides reasonable but not absolute assurance that the Bank will not be affected by any adverse event which may be reasonably foreseen.

Internal Audit

The Bank has a well-established internal audit (IA) function which has a primary reporting line to the Audit Committee (AC). The authority and responsibilities of IA is reviewed by AC every year. The Head of IA reports administratively to CEO and he is a member of Management Committee, which oversees the overall performance of UOBM, country corporate functions and business segments. This equips him with a good view of the material initiatives and activities of the Bank, enabling him to perform his role more effectively.

The primary role of the IA function is to provide independent assessment of the adequacy and effectiveness of the Bank's system of internal controls, risk management and governance processes, in line with its role as the third line of defence. IA operates within the framework defined in its IA Charter, adopts the Global Internal Audit Standards set by the Institute of Internal Auditors and is guided by The Internal Audit Function in Banks issued by the Basel Committee on Banking Supervision. These guidelines set out the mission and the objectives of an IA function and the performance standards expected of IA activities. In performing its role, IA has unfettered access to all records, information, property and personnel of the Bank.

To ensure IA maintains its high-performance standards, IA conducts an internal quality assurance (QA) review and conduct a self-assessment of its activities against these standards and guidelines annually. In addition, an independent external QA review of the IA function is also conducted once every five years. The recent external review on IA was completed in December 2025.

The IA report rating in IA's methodology consists of an audit rating and a Management Governance and Oversight Rating (MGOR). The audit rating reflects the current state of the audited entity's control environment, while the MGOR provides an indicative measure of its management team in terms of:

- the effectiveness of its governance structure;
- the overall risk awareness and control consciousness; and
- the competence, willingness and attitude of its leaders when discharging their supervisory duties.

Entities with a strong MGOR and a good control environment may be subject to less frequent and/or intense audits. Conversely, a poor MGOR or a weak control environment may lead to more frequent and/or intense audits.

Internal Audit (Continued)

In 2025, IA undertook the following key initiatives and activities:

- Continued to use advanced data analytics and leverage on technology enablers in our work;
- Applied the behaviourally informed (BI) audit approach in selected audits; The BI audit methodology incorporates culture concepts to assess behaviours and culture in audits;
- Updated the audit methodology and approach to align with the new Global Internal Audit Standards (January 2025);
- Continued to upskill, deepen business knowledge and capabilities, and keep pace with industry developments and emerging risks, including the areas of sustainability, blockchain and digital assets, anti-money laundering, generative AI and Shariah compliance; and
- Industry and professional bodies collaboration. Deepened engagement with institutions of higher learning through initiatives such as participation in university roundtable dialogues, contributing insights on the evolving impact of artificial intelligence on banking careers and the critical skills required for the future workforce, as well as conducting sharing sessions for learners to introduce the IA profession, including the tools and methodologies applied in audit practices.

IA reviews and audits the Bank's businesses and operations according to a risk-based audit plan. Audit projects are prioritised and scoped based on IA's assessment of the Bank's risks and controls over the various risk types. The audit plan is reviewed at least annually and tabled to the AC for approval.

The results of each audit are reported to the AC and Management; and their resolution action plans and progress are closely monitored. Significant findings, together with the status of rectification, are then discussed at the AC Meetings and the minutes are formally tabled to the Board of Directors. In addition, the Head of IA also reports significant findings and other control concerns to the Head of Group Audit monthly or more frequently if warranted.

Remuneration Framework

UOB's Remuneration Framework sets out the principles and philosophies that guide the design, operation and management of our remuneration programmes. The objective is to ensure that we attract, motivate and retain a highly-skilled workforce, while encouraging value-based behaviours, aligned with our vision to become a trusted bank, that supports the business objectives and strengthen the long-term financial strength of the Bank and the Group.

The Remuneration Committee (RC) conducts regular reviews of the compensation practices and programmes to ensure that we are consistent with regulatory requirements and are responsive to market developments.

Our Approach to Remuneration

The Bank's total compensation comprises two main components namely fixed pay and variable pay.

Total Compensation			
Fixed Pay		Variable Pay	
Base salary	Fixed allowance	Cash bonus	Deferral (Shares/Cash)

Our Approach to Remuneration (Continued)

- **Fixed pay** consists of base salary and fixed allowances that are pegged to the market value of the job.
- **Variable pay** which comprises of cash bonuses and deferrals in the form of cash or shares where applicable, rewards employees based on the performance of the Bank, business units as well as the employee's individual performance.

We take a holistic view of various factors to determine and to ensure fair compensation for every employee. These factors include:

- **pay for position**: the pay of comparable positions in the market;
- **pay for performance**: variable pay based on performance of the Bank, business units and employee's individual achievement of performance targets;
- **pay for person**: the employee's personal attributes such as skills and experience;
- **living the UOB Values**: employee's demonstration of our UOB Values of Honour, Enterprise, Unity and Commitment.

Determining Variable Pay

UOB's performance-based variable pay is linked to the performance of the Bank, business functions and the employee's individual achievement of performance targets. The Bank's scorecard includes performance measures in three categories:

(1) financial outcomes,
(2) strategic drivers, and
(3) risk and reputation.

Financial outcomes metrics include Growth, Profitability, Productivity and Asset Quality. Strategic drivers include key initiatives that would help ensure the Bank's sustainability and propel it forward in the changing business environment. This includes Connectivity, Funding, Customer, Employee and Diversification. Under risk and reputation, the Bank takes account of the Risk Appetite Statement output assessed by the Risk Management Committee. Any breach in Risk Appetite Statement may result in adjustment in the total variable pay for the year. The Bank's key performance indicators are cascaded to business functions accordingly and subsequently to individual employees.

Employees are assessed based on
(1) performance objectives, (2) competency behaviours and (3) behaviour that uphold to UOB Values. Variable pay of each employee is differentiated by the employee's overall performance based on these three areas.

Remuneration Governance

Control Functions

Employees in control functions, namely Risk Management, Audit, Credit and Compliance are compensated independently of the performance of the business lines or business units they oversee. Compensation for these employees is determined based on the overall performance of the Bank, the achievement of operational key performance indicators of the control functions and the performance of the individual employee.

In addition, the remunerations for the Chief Risk Officer and the Head of Internal Audit are approved by the Risk Management Committee and the Audit Committee respectively.

Variable Pay Deferrals

UOB's variable pay deferral policy applies to all senior ranked employees and material risk takers (MRT). Material risk taker refers to employees with significant organisational responsibilities who have material impact on the Bank's performance and risk profile, and employees with high risk mandate. The variable pay deferral is essential to meeting the following objectives:

- to align compensation payment schedules with the time horizon of risks;
- to align the interests of employees with the long-term interests of shareholders;
- to retain key employees whose contributions are essential to the long-term growth and profitability of the Bank;
- to deliver compensation in a manner that drives the long-term performance of the Bank.

Remuneration Governance (Continued)

Variable Pay Deferrals (Continued)

Under the variable pay deferral policy, variable pay is subject to deferral ranging from 20% to 40%, with the proportion of deferral increasing with the amount of total variable pay granted. Variable pay deferrals are either in the form of deferred cash or Executive Equity Plan (EEP) shares award under the UOB Share Plan and will vest over three years. Unvested portions of the deferred shares and deferred cash will be eligible for dividends, subject to declaration by Group and interest respectively.

Malus of unvested deferred compensation and/or clawback of paid deferred compensation will be triggered by conduct constituting, causing or contributing to, inter alia, material violation of risk limits, financial losses or adverse change in risk profile, restatement of financial results or misconduct, malfeasance or fraud.

Summary of 2025 Remuneration Outcomes

1. Breakdown of total remuneration for CEO for FY2025

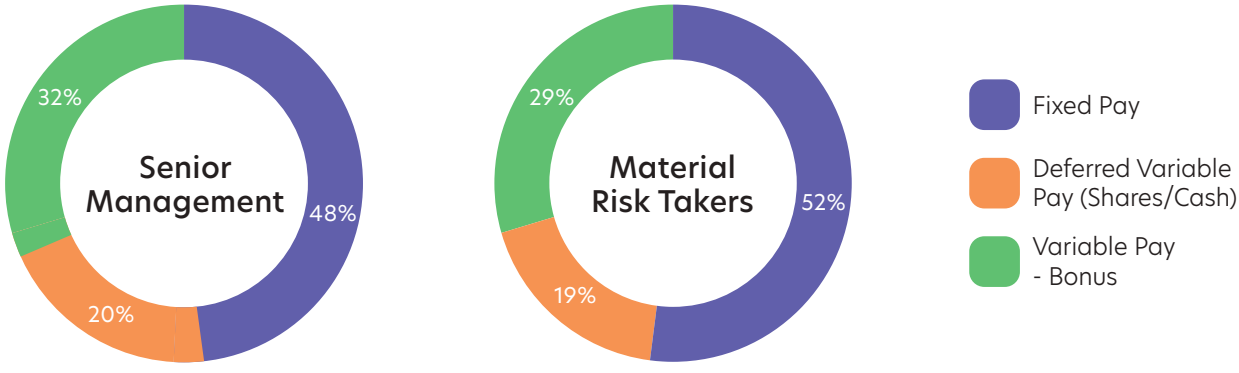
Name	Fixed Pay (RM'000)	Variable Pay: Unrestricted (RM'000)	Deferred Variable Pay: EEP under the UOB Share Plan (RM'000)
Ng Wei Wei	1,661	1,995	1,330

2. Breakdown of Remuneration Awarded to Senior Management and Material Risk Takers (MRTs) for FY2025

- Senior Management refers to the Chief Executive Officer and 12 other members of Senior Management[1].
- In addition to members of Senior Management, there were 12 other MRTs[2].

[1] In line with BNM's Responsibility Mapping policy document.

[2] Material Risk Taker refers to employees with significant organisational responsibilities who have material impact on the Bank's performance and risk profile, and employees with high risk mandate.



Total remuneration for FY2025 is RM22.34mil

Total remuneration for FY2025 is RM14.04mil

Summary of 2025 Remuneration Outcomes (Continued)

3. Guaranteed Bonuses, Sign-on Awards and Severance Payments for FY2025

Category of Remuneration	Senior Management	MRTs
Number of guaranteed bonuses	-	-
Number of sign-on awards	-	-
Number of severance payments	-	-
Total amounts of above payments made for the financial year (RM'000)	-	-

4. Breakdown of Deferred Remuneration

Category	Senior Management	MRTs
Total amount of outstanding deferred remuneration		
- Cash (RM'000)	0	45
- Shares (RM'000)	18,696	9,922
Total amount of deferred remuneration paid in FY2025		
- Cash (RM'000)	0	23
- Shares (RM'000)	5,401	2,031
Outstanding deferred remuneration (performance adjustments):		
- Of which exposed to ex-post adjustments	100%	100%
- Reductions in current year due to ex-post adjustments (explicit[1])	-	-
- Reductions in current year due to ex-post adjustments (implicit[2])	-	-
Outstanding retained remuneration (performance adjustments):		
- Of which exposed to ex-post adjustments	-	-
- Reductions in current year due to ex-post adjustments (explicit)	-	-
- Reductions in current year due to ex-post adjustments (implicit)	-	-

[1] Examples of explicit ex-post adjustments include malus, clawbacks or similar reversals or downward revaluations of awards.
[2] Examples of implicit ex-post adjustments include fluctuations in the value of the shares or performance units.

Statement on Shariah Governance

UOB Malaysia first developed its Shariah Governance Framework (Framework) in 2016, adhering closely to the Shariah Governance Framework 2010 by Bank Negara Malaysia (BNM). In March 2020, the Bank replaced the Framework with the Shariah Governance Policy (Policy) in accordance with BNM's policy document on Shariah Governance that was issued on 20 September 2019. The Policy establishes the minimum governance standards governing the Board of Directors, Shariah Committee, senior management, Shariah control functions and Secretariat to the Shariah Committee. Within the Policy, all parties are bound to exercise their duty of care and diligence to ensure the Bank's Islamic Banking business, operations and affairs comply with Shariah principles.

The Board of Directors (the Board) is ultimately accountable and responsible for the overall Shariah Governance Structure and UOB Malaysia's Shariah compliance. In keeping with this, the Board must ensure that the Shariah Governance Structure adopted by the Bank commensurate with the size, complexity, and nature of its business.

To ensure that the Bank's operations are consistently conducted in according to Shariah principles, the Bank established an independent Shariah Committee (SC) to advise the Bank and to perform an oversight role on Shariah matters in relation to the Bank's Islamic Banking operations, business, affairs and activities. While the Board ultimately bears the responsibility and is accountable for the overall governance of the Bank, the SC shall be responsible and accountable for all its decisions, views and opinions related to Shariah. The SC comprises of the following qualified members:

1. Dr. Muhammad Pisol Bin Muhd @ Mat Isa - Interim Chairman
2. Dr. Samsuri Bin Sharif *(served as a member of the Shariah Committee until 6 February 2025)*
3. Prof. Dr. Noraini Binti Mohd Ariffin
4. Assoc. Prof. Datin Dr. Wan Marhaini Binti Wan Ahmad

During the financial year, the Shariah Committee (SC) convened 9 scheduled meetings and 3 special meetings. The attendance of each SC member is presented below:

SC Member	Attendance	
	Normal Meeting	Special Meeting
Dr. Muhammad Pisol Bin Muhd @ Mat Isa *(Interim Chairman)*	9/9	3/3
Dr. Samsuri Bin Sharif	1/1*	0/0*
Prof. Dr. Noraini Binti Mohd Ariffin	9/9	3/3
Assoc. Prof. Datin Dr. Wan Marhaini Binti Wan Ahmad	9/9	3/3

*Attendance reflects meetings held during his tenure.

SC is supported on a functional basis by the Shariah Secretariat and the Shariah control functions including Shariah Review, Shariah Risk Management and Shariah Audit. The main duties and responsibilities of the Shariah Secretariat are to provide a secretariat function to the Bank's SC, conducting research on Shariah issues and providing day-to-day Shariah advice to the Bank's internal parties based on the rulings of the Shariah Advisory Council (SAC) of Bank Negara Malaysia, Shariah Advisory Council (SAC) of Securities Commission Malaysia and the decisions or advice of the Bank's SC.

Meanwhile, the Shariah Review conducts regular assessments on the compliance of the Bank's operations, business, affairs and activities with Shariah requirements.

Shariah Risk Management systematically identifies, measures, monitors and reports Shariah non-compliance risks in the operations, business, affairs and activities of the Bank.

Finally, Shariah Audit provides an independent assessment of the quality and effectiveness of the Bank's internal control, risk management systems, and governance processes. The Shariah Audit scope covers the overall compliance of the Bank's operations, business, affairs and activities with Shariah.

In addition to the above, the Management is responsible for providing adequate resources across every function involved in Shariah governance implementation to ensure end-to-end compliance with Shariah principles. The Management expects the various functions to be responsible for and to manage the implementation of any or all rulings of the SAC and the decisions or advice of the SC and they are complying with these rulings and decisions accordingly.

Pillar 3 Disclosure

This Pillar 3 Disclosure document is prepared in accordance with the requirements under Bank Negara Malaysia Risk Weighted Capital Adequacy Framework (Basel II) - Disclosure Requirements (Pillar 3) and Capital Adequacy Framework for Islamic Banks (CAFIB) - Disclosure Requirements (Pillar 3). The disclosure is to facilitate the understanding of United Overseas Bank (Malaysia) Bhd (UOBM)'s risk profile and assessment of the Bank's capital adequacy. This is to be read in conjunction with the Bank's financial statements.

Effective July 2016, UOBM started to offer Islamic financial services under its Islamic Banking Window.

All values are presented in Ringgit Malaysia (RM) have been rounded to the nearest thousand (RM'000).

Scope of Application

In accordance with the accounting standards for financial reporting, all subsidiaries of the Bank are fully consolidated from the date the Bank obtains control until the date such control ceases. The Bank's investment in an associate is accounted for using the equity method from the date the Bank obtains significant influence over the associate until the date such significant influence ceases. For the purpose of computing capital adequacy requirements at the Bank level, investment in subsidiaries and associates are deducted from regulatory capital in compliance with Bank Negara Malaysia's Capital Adequacy Framework (Capital Components).

The transfer of funds or regulatory capital within the UOBM Group is generally subject to regulatory approval.

Capital Adequacy

Our approach to capital management is to ensure that the UOBM Group maintains strong capital levels to support our businesses and growth, meet regulatory capital requirements at all times and maintain a good credit rating.

We achieve these objectives through the UOBM Group's Internal Capital Adequacy Assessment Process (ICAAP) whereby we actively monitor and manage the Group's capital position over a medium-term horizon, involving the following:

- setting capital targets for the Bank, taking into account future regulatory changes and stakeholder expectations;
- forecasting capital demand for material risks based on the Bank's risk appetite. This is evaluated across all business segments and includes the UOBM Group's capital position before and after mitigation actions under adverse but plausible stressed conditions; and
- determining the availability and composition of different capital components.

Two committees oversee our capital planning and assessment process. The Board level - Risk Management Committee assists the Board with the oversight of risks arising from the business of the UOBM Group while the management level - Risk and Capital Committee manages the UOBM Group's ICAAP, overall risk profile and capital requirements. The UOBM Group's capital position, capital management plan, contingency capital plan, as well as any capital management actions, are submitted to the Management and/or to the Board for approval.

Capital Adequacy (Continued)

The aggregate breakdown of Risk-Weighted Assets (RWA) of the Bank by exposures in each risk category as at 31 December 2025:

RM'000

Item	Exposure class 2025	Exposures pre Credit Risk Mitigation (CRM)	Exposures post Credit Risk Mitigation (CRM)	RWA	Minimum capital requirement at 8%
1.0	**Credit risk**				
1.1	**Exempted exposures under the Standardised Approach (SA)**				
	On-balance sheet exposures				
	Sovereigns/central banks	30,495,913	30,495,913	-	-
	Public sector entities	530,643	530,643	-	-
	Insurance cos, securities firms and fund managers	111	111	111	9
	Corporates	241,304	238,009	236,899	18,952
	Regulatory retail	5,530,455	5,515,811	4,136,857	330,949
	Residential mortgages	4,245,582	4,245,582	1,585,245	126,820
	Higher risk assets	213	213	319	26
	Other assets	3,414,331	3,414,331	1,720,649	137,652
	Securitisation exposure	107,584	107,584	21,517	1,721
	Equity exposure	159,824	159,824	159,824	12,786
	Defaulted exposures	148,910	148,552	144,825	11,586
	Total on-balance sheet exposures	**44,874,870**	**44,856,573**	**8,006,246**	**640,501**
	Off-balance sheet exposures				
	OTC derivatives	390,009	390,009	112,228	8,978
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	3,701,994	3,701,018	2,747,830	219,826
	Defaulted exposures	847	847	1,268	101
	Total off-balance sheet exposures	**4,092,850**	**4,091,874**	**2,861,326**	**228,905**
	Total on and off-balance sheet exposures (SA)	**48,967,720**	**48,948,447**	**10,867,572**	**869,406**
1.2	**Exposures under the Foundation IRB Approach (FIRB)**				
	On-balance sheet exposures				
	Banks, Development Financial Institutions and MDBs	4,639,081	3,475,817	402,303	32,184
	Insurance cos, securities firms and fund managers	163,657	131,261	96,394	7,712
	Corporates	45,676,177	41,546,137	43,507,173	3,480,574
	Equity (simple risk weight)	-	-	-	-
	Defaulted exposures	1,220,489	1,078,878	20,296	1,624
	Total on-balance sheet exposures	**51,699,404**	**46,232,093**	**44,026,166**	**3,522,094**
	Off-balance sheet exposures				
	OTC derivatives	7,190,745	7,189,769	1,412,110	112,969
	Credit Derivatives	886	886	67	5
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	12,360,096	11,073,521	9,748,235	779,859
	Defaulted exposures	58,900	33,152	-	-
	Total off-balance sheet exposures	**19,610,627**	**18,297,328**	**11,160,412**	**892,833**
	Total on and off-balance sheet exposures (FIRB)	**71,310,031**	**64,529,421**	**55,186,578**	**4,414,927**

Capital Adequacy (Continued)

The aggregate breakdown of Risk-Weighted Assets (RWA) of the Bank by exposures in each risk category as at 31 December 2025 (Continued):

RM'000

Item	Exposure class 2025	Exposures pre CRM	Exposures post CRM	RWA	Minimum capital requirement at 8%
1.0	**Credit risk (Continued)**				
1.3	**Exposures under the Advance IRB Approach (AIRB)**				
	On-balance sheet exposures				
	Residential mortgages	38,732,363	38,732,363	4,768,969	381,518
	Qualifying revolving retail	4,546,525	4,546,525	1,263,807	101,105
	Other retail	14,911,957	14,911,957	3,030,554	242,444
	Defaulted exposures	1,410,138	1,410,138	652,645	52,212
	Total on-balance sheet exposures	**59,600,983**	**59,600,983**	**9,715,975**	**777,279**
	Off-balance sheet exposures				
	OTC derivatives	1,287	1,287	269	22
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	11,850,873	11,850,873	1,551,830	124,146
	Defaulted exposures	126	126	-	-
	Total off-balance sheet exposures	**11,852,286**	**11,852,286**	**1,552,099**	**124,168**
	Total on and off-balance sheet exposures (AIRB)	**71,453,269**	**71,453,269**	**11,268,074**	**901,447**
	Total exposures under IRB Approach	**142,763,300**	**135,982,690**	**66,454,652**	**5,316,374**
	Exposures to Central Counterparties RWA			**1,135**	**91**
	Total (exempted exposures and exposures under the IRB Approach) after scaling factor	**191,731,020**	**184,931,137**	**81,310,638**	**6,504,851**
2.0	**Large exposures risk requirement**	-	-	-	-
3.0	**Market risk**	Long position	Short position		
	Interest rate risk	297,136	184,198	2,249,140	179,931
	Foreign currency risk	155,257	196,305	116,709	9,337
	Equity risk				
	Commodity risk	104,501	104,400	41,763	3,341
	Options risk			389,857	31,189
4.0	**Operational risk**			8,843,347	707,468
5.0	**Total RWA and capital requirements**			92,951,454	7,436,117

Capital Adequacy (Continued)

The aggregate breakdown of Risk-Weighted Assets (RWA) of the Bank by exposures in each risk category as at 31 December 2024:

RM'000

Item	Exposure class 2024	Exposures pre Credit Risk Mitigation (CRM)	Exposures post Credit Risk Mitigation (CRM)	RWA	Minimum capital requirement at 8%
1.0	Credit risk				
1.1	Exempted exposures under the Standardised Approach (SA)				
	On-balance sheet exposures				
	Sovereigns/central banks	26,333,604	26,333,604	-	-
	Public sector entities	233,225	233,225	-	-
	Bank, Development Financial Institutions & MDBs	4,935	4,935	987	79
	Insurance cos, securities firms and fund managers	122	122	122	10
	Corporates	293,810	290,627	288,125	23,050
	Regulatory retail	5,954,998	5,954,700	4,464,882	357,189
	Residential mortgages	4,862,474	4,862,474	1,849,344	147,948
	Higher risk assets	293	293	440	35
	Other assets	3,299,223	3,299,223	2,095,155	167,612
	Securitisation exposure	120,035	120,035	24,007	1,921
	Equity exposure	173,214	173,214	173,214	13,857
	Defaulted exposures	193,370	193,370	198,445	15,876
	Total on-balance sheet exposures	**41,469,303**	**41,465,822**	**9,094,721**	**727,577**
	Off-balance sheet exposures				
	OTC derivatives	578,344	578,344	173,636	13,891
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	3,854,281	3,853,267	2,870,012	229,601
	Defaulted exposures	933	933	1,394	112
	Total off-balance sheet exposures	**4,433,558**	**4,432,544**	**3,045,042**	**243,604**
	Total on and off-balance sheet exposures (SA)	**45,902,861**	**45,898,366**	**12,139,763**	**971,181**
1.2	Exposures under the Foundation IRB Approach (FIRB)				
	On-balance sheet exposures				
	Banks, Development Financial Institutions and MDBs	6,380,280	5,450,496	518,017	41,441
	Insurance cos, securities firms and fund managers	689,988	647,840	183,409	14,673
	Corporates	42,223,626	38,164,440	38,539,923	3,083,194
	Equity (simple risk weight)	947	947	2,842	227
	Defaulted exposures	1,118,652	1,044,686	15,694	1,256
	Total on-balance sheet exposures	**50,413,493**	**45,308,409**	**39,259,885**	**3,140,791**
	Off-balance sheet exposures				
	OTC derivatives	4,426,990	4,425,922	1,004,562	80,365
	Credit Derivatives	819	819	74	6
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	11,582,354	10,355,311	9,549,906	763,992
	Defaulted exposures	25,525	23,687	-	-
	Total off-balance sheet exposures	**16,035,688**	**14,805,739**	**10,554,542**	**844,363**
	Total on and off-balance sheet exposures (FIRB)	**66,449,181**	**60,114,148**	**49,814,427**	**3,985,154**

Capital Adequacy (Continued)

The aggregate breakdown of Risk-Weighted Assets (RWA) of the Bank by exposures in each risk category as at 31 December 2024 (Continued):

RM'000

Item	Exposure class 2024	Exposures pre CRM	Exposures post CRM	RWA	Minimum capital requirement at 8%
1.0	**Credit risk (Continued)**				
1.3	**Exposures under the Advance IRB Approach (AIRB)**				
	On-balance sheet exposures				
	Residential mortgages	37,190,786	37,190,786	4,509,832	360,787
	Qualifying revolving retail	3,803,270	3,803,270	1,128,543	90,283
	Other retail	15,076,182	15,076,182	2,896,027	231,682
	Defaulted exposures	1,250,158	1,250,158	676,275	54,102
	Total on-balance sheet exposures	**57,320,396**	**57,320,396**	**9,210,677**	**736,854**
	Off-balance sheet exposures				
	OTC derivatives	883	883	155	12
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	10,037,933	10,037,933	1,397,710	111,817
	Defaulted exposures	-	-	-	-
	Total off-balance sheet exposures	**10,038,816**	**10,038,816**	**1,397,865**	**111,829**
	Total on and off-balance sheet exposures (AIRB)	**67,359,212**	**67,359,212**	**10,608,542**	**848,683**
	Total exposures under IRB Approach	**133,808,393**	**127,473,360**	**60,422,969**	**4,833,837**
	Total (exempted exposures and exposures under the IRB Approach) after scaling factor	**179,711,254**	**173,371,726**	**76,188,110**	**6,095,049**
2.0	**Large exposures risk requirement**	-	-	-	-
3.0	**Market risk**	Long position	Short position		
	Interest rate risk	210,658	166,143	1,095,297	87,624
	Foreign currency risk	115,415	120,941	75,879	6,070
	Equity risk	-	-	-	-
	Commodity risk	-	-	-	-
	Options risk			537,813	43,025
4.0	**Operational risk**			8,087,999	647,040
5.0	**Total RWA and capital requirements**			85,985,098	6,878,808

Capital Adequacy (Continued)

The aggregate breakdown of RWA under the Islamic Banking Window by exposures in each risk category as at 31 December 2025:

RM'000

Item	Exposure class 2025	Exposures pre CRM	Exposures post CRM	RWA	RWA absorbed by RSIA	Total RWA after effects of RSIA	Minimum capital requirement at 8%
1.0	**Credit risk**						
1.1	**Exempted exposures under the Standardised Approach (SA)**						
	On-balance sheet exposures						
	Sovereigns/central banks	4,338,102	4,338,102	-	-	-	-
	Corporates	3,871	2,781	2,081	-	2,081	166
	Regulatory Retail						
	Residential mortgages	52,337	52,337	18,321	-	18,321	1,466
	Other assets	11,958	11,958	11,958	-	11,958	957
	Defaulted exposures	5,361	5,361	5,328	-	5,328	426
	Total on-balance sheet exposures	**4,411,629**	**4,410,539**	**37,688**	**-**	**37,688**	**3,015**
	Off-balance sheet exposures						
	OTC derivatives	149,069	149,069	32,382	-	32,382	2,591
	Off-balance sheet exposures other than OTC derivatives or credit derivatives						
	Total off-balance sheet exposures	**149,069**	**149,069**	**32,382**	**-**	**32,382**	**2,591**
	Total on and off-balance sheet exposures (SA)	**4,560,698**	**4,559,608**	**70,070**	**-**	**70,070**	**5,606**
1.2	**Exposures under the FIRB Approach**						
	On-balance sheet exposures						
	Banks, Development Financial Institutions and MDBs	2,879,117	1,715,853	153,683	-	153,683	12,295
	Insurance/Takaful cos, securities firms and fund managers						
	Corporates	3,209,954	2,862,707	3,401,989	683,690	2,718,299	217,464
	Defaulted exposures	37,927	-	-	-	-	-
	Total on-balance sheet exposures	**6,126,998**	**4,578,560**	**3,555,672**	**683,690**	**2,871,982**	**229,759**
	Off-balance sheet exposures						
	OTC derivatives	11,718	11,718	5,426	-	5,426	434
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	1,098,139	1,077,391	916,394	567,561	348,833	27,907
	Total off-balance sheet exposures	**1,109,857**	**1,089,109**	**921,820**	**567,561**	**354,259**	**28,341**
	Total on and off-balance sheet exposures (FIRB)	**7,236,855**	**5,667,669**	**4,477,492**	**1,251,251**	**3,226,241**	**258,100**

Capital Adequacy (Continued)

The aggregate breakdown of RWA under the Islamic Banking Window by exposures in each risk category as at 31 December 2025 (Continued):

RM'000

Item	Exposure class 2025	Exposures pre CRM	Exposures post CRM	RWA	RWA absorbed by RSIA	Total RWA after effects of RSIA	Minimum capital requirement at 8%
1.0	**Credit risk (Continued)**						
1.3	**Exposures under the AIRB Approach**						
	On-balance sheet exposures						
	Residential mortgages	4,002,674	4,002,674	779,134	-	779,134	62,331
	Other retail	1,212,786	1,212,786	231,570	-	231,570	18,526
	Defaulted exposures	155,995	155,995	84,931	-	84,931	6,794
	Total on-balance sheet exposures	**5,371,455**	**5,371,455**	**1,095,635**	**-**	**1,095,635**	**87,651**
	Off-balance sheet exposures						
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	362,412	362,412	61,062	0	61062	4885
	Defaulted Exposures						
	Total off-balance sheet exposures	**362,412**	**362,412**	**61,062**	**-**	**61,062**	**4,885**
	Total on and off-balance sheet exposures (AIRB)	**5,733,867**	**5,733,867**	**1,156,697**	**-**	**1,156,697**	**92,536**
	Total exposures under IRB Approach	**12,970,722**	**11,401,536**	**5,634,189**	**1,251,251**	**4,382,938**	**350,636**
	Total (exempted exposures and exposures under the IRB Approach) after scaling factor	**17,531,420**	**15,961,144**	**6,042,310**	**1,326,326**	**4,715,984**	**377,279**
2.0	**Large exposures risk requirement**	-	-	-	-	-	-
3.0	**Market risk**	Long position	Short position				
	Interest rate risk	2,187	1,705	8,631		8,631	690
	Foreign currency risk	5,245	2,011	5,245		5,245	420
	Equity risk	-	-	-	-	-	-
	Commodity risk	-	-	-	-	-	-
	Options risk			-	-	-	-
4.0	**Operational risk**			290,677	-	290,677	23,254
5.0	**Total RWA and capital requirements**			6,346,863	1,326,326	5,020,537	401,643

Capital Adequacy (Continued)

The aggregate breakdown of RWA under the Islamic Banking Window by exposures in each risk category as at 31 December 2024:

RM'000

Item	Exposure class 2024	Exposures pre CRM	Exposures post CRM	RWA	RWA absorbed by RSIA	Total RWA after effects of RSIA	Minimum capital requirement at 8%
1.0	**Credit risk**						
1.1	**Exempted exposures under the Standardised Approach (SA)**						
	On-balance sheet exposures						
	Sovereigns/central banks	3,554,883	3,554,883	-	-	-	-
	Corporates	4,268	3,207	2,507	-	2,507	201
	Residential mortgages	62,530	62,530	21,885	-	21,885	1,751
	Other assets	14,352	14,352	14,352	-	14,352	1,148
	Defaulted exposures	5,180	5,180	5,180	-	5,180	414
	Total on-balance sheet exposures	**3,641,213**	**3,640,152**	**43,924**	**-**	**43,924**	**3,514**
	Off-balance sheet exposures						
	OTC derivatives	162,010	162,010	35,592	-	35,592	2,847
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	-	-	-	-	-	-
	Total off-balance sheet exposures	**162,010**	**162,010**	**35,592**	**-**	**35,592**	**2,847**
	Total on and off-balance sheet exposures (SA)	**3,803,223**	**3,802,162**	**79,516**	**-**	**79,516**	**6,361**
1.2	**Exposures under the FIRB Approach**						
	On-balance sheet exposures						
	Banks, Development Financial Institutions and MDBs	1,945,161	1,115,428	113,938	-	113,938	9,115
	Insurance/Takaful cos, securities firms and fund managers	401,012	401,012	30,394	30,394	-	-
	Corporates	3,244,381	3,107,662	3,365,848	1,216,489	2,149,359	171,949
	Defaulted exposures	27,238	-	-	-	-	-
	Total on-balance sheet exposures	**5,617,792**	**4,624,102**	**3,510,180**	**1,246,883**	**2,263,297**	**181,064**
	Off-balance sheet exposures						
	OTC derivatives	12,892	12,892	2,521	-	2,521	202
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	565,823	545,117	753,425	220,547	532,878	42,630
	Total off-balance sheet exposures	**578,715**	**558,009**	**755,946**	**220,547**	**535,399**	**42,832**
	Total on and off-balance sheet exposures (FIRB)	**6,196,507**	**5,182,111**	**4,266,126**	**1,467,430**	**2,798,696**	**223,896**

Capital Adequacy (Continued)

The aggregate breakdown of RWA under the Islamic Banking Window by exposures in each risk category as at 31 December 2024 (Continued):

RM'000

Item	Exposure class 2024	Exposures pre CRM	Exposures post CRM	RWA	RWA absorbed by RSIA	Total RWA after effects of RSIA	Minimum capital requirement at 8%
1.0	**Credit risk (Continued)**						
1.3	**Exposures under the AIRB Approach**						
	On-balance sheet exposures						
	Residential mortgages	3,769,599	3,769,599	730,381	-	730,381	58,430
	Other retail	1,274,105	1,274,105	304,901	-	304,901	24,392
	Defaulted exposures	158,028	158,028	102,095	-	102,095	8,168
	Total on-balance sheet exposures	**5,201,732**	**5,201,732**	**1,137,377**	**-**	**1,137,377**	**90,990**
	Off-balance sheet exposures						
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	261,648	261,648	44,893	-	44,893	3,591
	Total off-balance sheet exposures	**261,648**	**261,648**	**44,893**	**-**	**44,893**	**3,591**
	Total on and off-balance sheet exposures (AIRB)	**5,463,380**	**5,463,380**	**1,182,270**	**-**	**1,182,270**	**94,581**
	Total exposures under IRB Approach	**11,659,887**	**10,645,491**	**5,448,396**	**1,467,430**	**3,980,966**	**318,477**
	Total (exempted exposures and exposures under the IRB Approach) after scaling factor	**15,463,110**	**14,447,653**	**5,854,816**	**1,555,476**	**4,299,340**	**343,947**
2.0	**Large exposures risk requirement**	-	-	-	-	-	-
3.0	**Market risk**	Long position	Short position				
	Interest rate risk	1,537	1,536	3,379	-	3,379	270
	Foreign currency risk	3,634	543	3,634	-	3,634	291
	Equity risk	-	-	-	-	-	-
	Commodity risk	-	-	-	-	-	-
	Options risk			-	-	-	-
4.0	**Operational risk**			317,084	-	317,084	25,367
5.0	**Total RWA and capital requirements**			6,178,913	1,555,476	4,623,437	369,875

Capital Structure

As at 31 December 2025, the Bank had issued the following subordinated notes:

1) Under the RM8 billion Subordinated Medium Term Notes and/or Senior Medium Term Notes Programme:
   (i) On 27 October 2022, the Bank issued RM1 billion subordinated notes at 4.91% p.a. maturing on 27 October 2032;

2) Under the RM5 billion Subordinated Islamic Medium Term Notes and/or Senior Medium Term Notes Programme:
   (i) On 8 February 2024, the Bank issued RM500 million subordinated Islamic notes at 4.01% p.a. maturing on 8 February 2034.
   (ii) On 3 July 2025, the Bank issued RM750 million subordinated Islamic notes at 3.85% p.a. maturing on 3 July 2037.

The subordinated notes are for working capital, general funding and corporate funding purposes.

For the main features of the subordinated notes, please refer to Note 22 in the financial statements.

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 (Basel II – Risk-Weighted Assets).

The capital structure of the Group and the Bank:

	Group		Bank	
	31-Dec-25 RM'000	31-Dec-24 RM'000	31-Dec-25 RM'000	31-Dec-24 RM'000
Common Equity Tier 1 (CET1)/Tier 1 Capital				
Paid-up share capital	792,555	792,555	792,555	792,555
Retained profits	14,407,784	13,902,695	14,523,580	14,055,169
Other reserves	431,627	325,539	152,810	85,159
Regulatory adjustments applied in the calculation of CET1 Capital	(1,158,010)	(1,158,883)	(1,185,986)	(1,293,438)
Total CET1/Tier 1 Capital	14,473,956	13,861,906	14,282,959	13,639,445
Tier 2 Capital				
Tier 2 Capital instruments	2,250,000	2,250,000	2,250,000	2,250,000
Loan/financing loss provision				
- Surplus eligible provisions over expected losses	405,097	373,130	414,693	374,957
- General provisions	146,056	161,244	135,845	151,748
Regulatory adjustments applied in the calculation of Tier 2 Capital	122,361	105,065	-	-
Total Tier 2 Capital	2,923,514	2,889,439	2,800,538	2,776,705
Total Capital	17,397,470	16,751,345	17,083,497	16,416,150

Capital Structure (Continued)

The capital adequacy ratios of the Group and the Bank:

	Group		Bank	
	31-Dec-25 RM'000	31-Dec-24 RM'000	31-Dec-25 RM'000	31-Dec-24 RM'000
CET1/Tier 1 Capital	15.488%	16.034%	15.366%	15.863%
Total Capital	18.616%	19.376%	18.379%	19.092%
CET1/Tier 1 Capital*	14.722%	14.973%	14.596%	14.796%
Total Capital*	17.850%	18.315%	17.609%	18.025%

**Net of proposed dividends*

The capital adequacy ratios of Islamic Banking Window are computed in accordance with BNM Capital Adequacy Framework for Islamic Banking (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk Weighted Assets).

The capital structure of the Islamic Banking Window:

	31-Dec-25 RM'000	31-Dec-24 RM'000
Common Equity Tier 1 (CET1)/Tier 1 Capital		
Capital fund	450,000	450,000
Retained profits	380,249	258,618
Other reserves	3,056	698
Regulatory adjustments applied in the calculation of CET1 Capital	(16,783)	(21,542)
Total CET1/Tier 1 Capital	816,522	687,774
Tier 2 Capital		
Tier 2 Capital instruments	1,250,000	500,000
Financing loss provision:		
- General provisions	876	994
Total Tier 2 Capital	1,250,876	500,994
Total Capital	2,067,398	1,188,768

Capital Structure (Continued)

The capital adequacy ratios of the Islamic Banking Window:

	31-Dec-25 RM'000	31-Dec-24 RM'000
Before the effects of RSIA		
CET1/Tier 1 Capital	12.868%	11.138%
Total Capital	32.575%	19.247%
After the effects of RSIA		
CET1/Tier 1 Capital	16.264%	14.876%
Total Capital	41.179%	25.712%

In accordance with BNM's Guidelines on the Investment Account, the credit and market risk weighted assets funded by the RSIA which qualify as risk absorbent are excluded from the calculation of capital adequacy ratio. As at 31 December 2025, credit risks related to RSIA assets excluded from the total capital ratio calculation amounted to RM1,326,326,251 (2024: RM1,555,476,008).

Risk Management

Risk Management Overview

Managing risk is an integral part of our business strategy. Our risk management approach focuses on ensuring continued financial soundness and safeguarding the interests of our stakeholders, while remaining nimble to seize value-creating business opportunities in a fast-changing environment. We are committed to upholding high standards of corporate governance, sound risk management principles and robust business practices to achieve sustainable, long-term growth. We continually strengthen our risk management practices in support of our strategic objectives.

Maintaining a Sound Risk Culture

A strong risk culture is vital to the long-term sustainability of the Bank's business franchise. Specifically, risk culture refers to the norms, attitudes and behaviours related to risk awareness, risk-taking and risk management, and controls that shape decisions on risks*. Our risk culture is based on our values. A strong risk culture ensures that our decisions and actions are considered and focused on our stakeholders, and that we are not distracted by short-term gains.

** Basel Committee on Banking Supervision: Guidelines on Corporate Governance Principles for Banks (July 2015).*

UOBM's Risk Culture Statement

Managing risk is integral to how we create long-term value for our customers and other stakeholders. Our risk culture is built on four principles: enforcing robust risk governance; balancing growth with stability; ensuring accountability for all the risk-based decisions and actions; and encouraging awareness, engagement and consistent behaviour in every employee.

Each of these principles is based on our distinctive set of values that guides every action we take. In entrenching our risk culture further across our franchise, we uphold the commitment to financial safety and soundness; fair outcomes and appropriate support for our stakeholders; sustainable and prudent business approach; and performance based on integrity, ethics and discipline.

Risk Management (Continued)

Maintaining a Sound Risk Culture (Continued)

UOBM's Risk Culture Statement (Continued)

Safeguarding our reputation in creating long term value for our stakeholders

Our Risk Culture Impact

- Financial safety and soundness
- Fair outcomes and appropriate support for all stakeholders
- Sustainable and prudent approach to business
- Performance based on integrity, ethics and discipline

Maintaining a sound risk culture across our franchise

Our Risk Culture Principles

- **GOVERNANCE** Enforce robust governance of risk
- **BALANCE** Balance growth with stability in taking risk
- **ACCOUNTABILITY** Ensure accountability for risk
- **CONSISTENCY** Encourage consistent risk-focused behaviour

Our Risk Culture Components

- Comprehensive risk management framework, policies and processes
- Well-defined risk appetite
- Pre-emptive supervision
- Independent control functions

- Open communication and collaboration
- Regular risk reviews and continual improvements

- Clear ownership and escalation through the Three Lines Model
- Balanced risk-reward remuneration structure
- Clear consequences management
- Individual accountability

- Tone from above
- Leadership oversight and responsibility
- Clear articulation of principles and desired outcomes
- Frequent and regular sharing
- Ongoing training

Demonstrating our unique set of values through consistent behaviour

Our Values

- Honourable
- Enterprising
- United
- Committed

Risk Management (Continued)

Our risk culture is embedded in our risk management strategy across the Bank, so as to facilitate ongoing effective discovery, management and mitigation of risks arising from external factors and our business activities, and to use capital efficiently to address these risks. Risks are managed within levels established by senior management committees and approved by the Board and its committees. We have put in place frameworks, policies, methodologies, tools and processes that help us to identify, measure, monitor and manage the material risks faced by the Bank. These enable us to focus on the fundamentals of banking and create long-term value for all our stakeholders.

Risk Governance

Our risk frameworks, policies and appetite provide the principles and guidance for the Bank's risk management activities. They guide our key decisions for capital management, strategic planning and budgeting, and performance management to ensure that the risk dimension is appropriately and adequately considered. Risk reports are submitted regularly to senior management committees and the Board to keep them apprised of the Bank's risk profile.

Responsibility for risk management starts with Board oversight of the Bank's governance structure, which ensures that the Bank's business activities are:

- conducted in a safe and sound manner and in line with the highest standards of professionalism;
- consistent with the Bank's overall business strategy and risk appetite; and
- subject to adequate risk management and internal controls.

The Board is assisted primarily by the Risk Management Committee (RMC) on risk-related matters, including reviewing the overall risk appetite and level of risk capital to be maintained for the Bank.

Our Chief Executive Officer (CEO) has established senior management committees to assist her in making business decisions with due consideration for risks and returns. The main senior management committees involved in specific risk-related matters are the Executive Committee (EXCO), Management Committee (MC), Asset and Liability Committee (ALCO), In-Country Credit Committee (ICCC), Credit Management Committee (CMC), Information & Technology Committee (ITC), Operational Risk Management Committee (ORMC), Risk and Capital Committee (RCC) and Anti-Financial Crime Committee (AFCC). These committees also assist the Board committees.

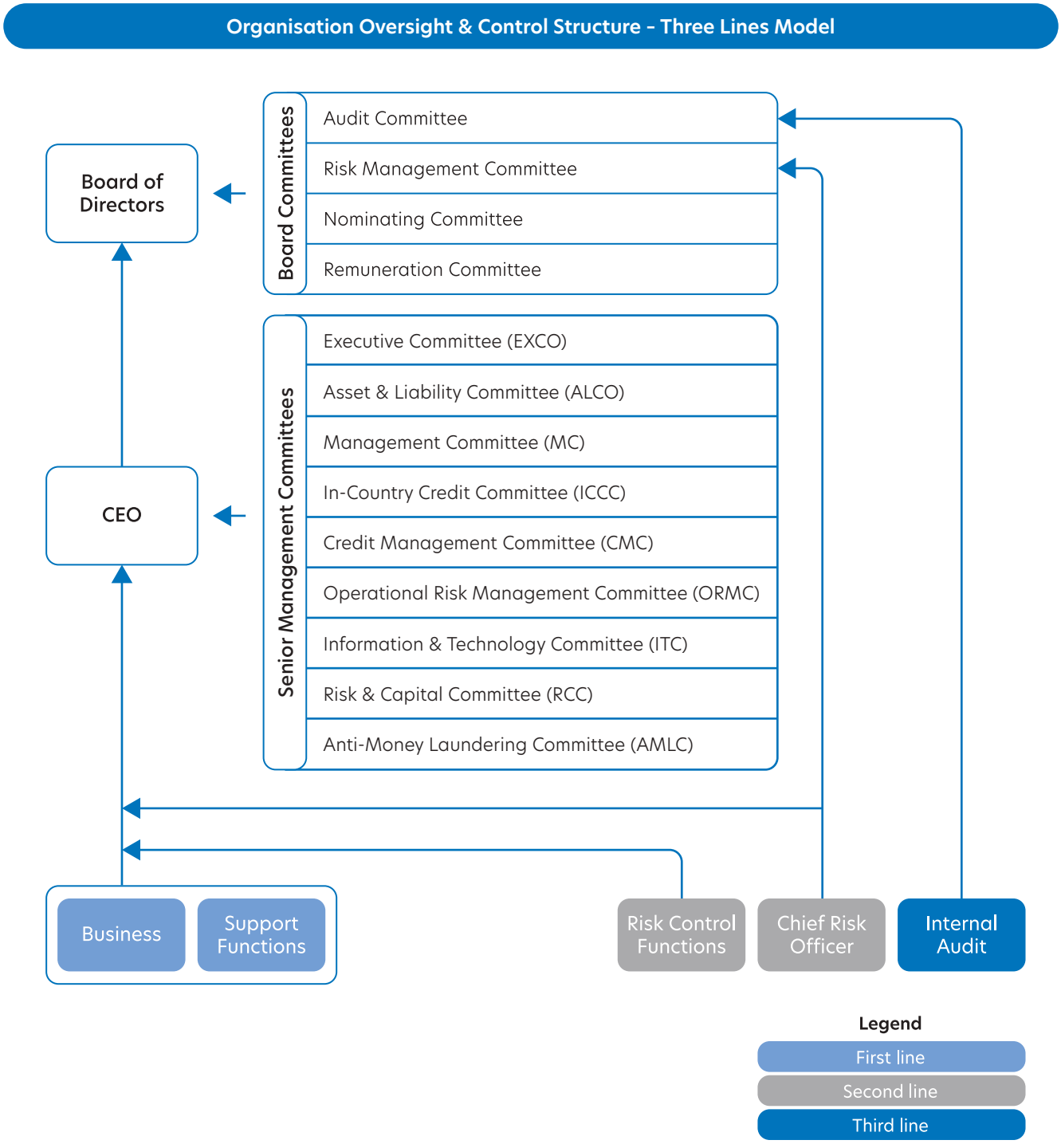
Management and the senior management committees are authorised to delegate risk appetite limits by location, business units and/or broad product lines.

Risk management is the responsibility of every employee in the Bank. We strive to instill awareness of the risks created by their actions and the accountability for the consequences of those actions in our employees. We have established frameworks to ensure appropriate oversight, accountability and management of all risk types encountered in the course of our business. The Bank adopts and adapts the parent bank's risk management governance structure, frameworks and policies to comply with local regulatory requirements. This ensures that the approach across the Group is consistent and sufficiently adaptable to suit local operating environments.

Risk Management (Continued)

Risk Governance (Continued)

Our organisational control structure is based on the Three Lines Model as follows:



Risk Management

Risk Governance (Continued)

First Line - The Risk Owner

The business and support units own and have primary responsibility for implementing and executing effective controls to manage the risks arising from their business activities. This includes establishing adequate managerial and supervisory controls to ensure compliance with risk policies, appetite, limits and controls and highlight control breakdowns, inadequacy of processes and unexpected risk events.

Second Line - Risk Oversight

The risk and control oversight functions (i.e. Risk Management and Compliance) and the Chief Risk Officer and Country Head of Compliance, as the Second Line, support the Bank's strategy of balancing growth with stability by establishing risk frameworks, policies, appetite and limits which the business functions must adhere to and comply with in their operations. They are also responsible for the independent review and monitoring of the Bank's risk profile and for highlighting any significant vulnerabilities and risk issues to the respective senior management committees.

The independence of risk and control oversight functions from business functions ensures that the necessary checks and balances are in place.

Third Line - Independent Audit

Internal auditors conduct risk-based audits covering all aspects of the First and Second lines to provide independent assurance to the CEO, Shariah Committee, Audit Committee and the Board on the adequacy and effectiveness of our system of risk management and internal controls. The internal auditor's overall opinion of the internal controls and risk management system is provided to the AC and the Board annually.

Risk Appetite

Our risk appetite framework defines the amount of risk we are able and willing to take in the pursuit of our business objectives. It ensures that the Bank's risk profile remains within well-defined and tolerable boundaries. The framework has been formulated based on the following key criteria:

- Alignment to the Bank's key business strategy;
- Relevance to the respective stakeholders, with appropriate levels of granularity;
- Practical, consistent and comprehensible metrics for communication and implementation; and
- Analytically-substantiated and measurable metrics.

Our risk appetite defines suitable thresholds and limits across the key risk areas including credit risk, country risk, market risk, liquidity risk, operational risk, and conduct risk. Our risk-taking approach is focused on businesses which we understand and whose risks we are well-equipped to manage. This approach helps us to minimise earnings volatility and ensures that our high credit ratings, strong capital and stable funding base remain intact. This enables us to remain a steadfast partner to our customers through changing economic conditions and cycles.

Our risk appetite framework and risk appetite are reviewed and approved annually by the Board. Management monitors and reports the Bank's risk profiles and compliance with the established risk appetite to the Board on a regular basis.

Basel Framework

The Bank has adopted the Basel Framework and observed the Bank Negara Malaysia (BNM) Risk Weighted Capital Adequacy Framework (Basel II) for banks incorporated in Malaysia. The Bank takes a prudent and proactive approach in navigating the evolving regulatory landscape, with emphasis on sound risk management principles in delivering sustainable returns.

The Bank has adopted the Foundation Internal Ratings-Based (FIRB) Approach for its non-retail exposures and the Advanced Internal Ratings-Based (AIRB) Approach for its retail exposures*. For market risk and operational risk, the Bank has adopted the Standardised Approach (SA).

The Bank has also adopted the Internal Capital Adequacy Assessment Process (ICAAP) to assess, on an ongoing basis, the amount of capital necessary to support its activities. The ICAAP is reviewed periodically to ensure that the Bank remains well-capitalised, taking into account all material risks. Stress-testing is conducted to determine capital adequacy under stressed conditions.

Note:

i) The Shariah Committee (SC) is a committee of Shariah members appointed by the shareholder of the Bank through the Board of Directors (Board) to advise the Board and Management on Shariah related matters in order for the Bank to comply with the Shariah requirements and Shariah regulatory governance of the Islamic Banking business.

ii) *The acquired consumer banking portfolio from Citibank Bhd is currently reported under Standardised Approach.

Risk Management (Continued)

Material Risks

Our business strategies, products, customer profiles and operating environment expose us to a number of financial and non-financial risks. Identifying and monitoring key risks are integral to the Bank's approach to risk management, enabling us to make effective assessments of these risks and mitigate them proactively across the Bank. The table below summarises the key risks that could impact the achievement of the Bank's strategic objectives. Details of these key risks can be found in the pages that follow.

Material Risk	Definition	How risk is managed
Credit risk	The risk of loss arising from failure by a borrower or counterparty to meet its financial obligations when they are due.	Through our credit risk management framework, policies, models and limits.
Market risk	The risk of loss from movements in the market rates or prices (such as changes in interest rates, foreign exchange rates, equity prices, commodity prices and credit spreads) of the underlying asset. It includes interest rate risk in the banking book (IRRBB) which is the potential loss of capital or reduction in earnings due to changes in the interest rates environment.	Through our market risk management framework, policies, Value-at-Risk (VaR) models and limits. IRRBB is managed through the Bank's balance sheet risk management framework and interest rate risk in the banking book management policies and limits.
Liquidity risk	The risk that arises from our inability to meet our obligations, or to fund increases in assets as they fall due.	Through our balance sheet risk management framework, liquidity risk management policies, ratios and limits.
Operational risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Such loss may be in the form of financial loss or other damage, for example, loss of reputation and public confidence that will impact our creditability and/or ability to transact, to maintain liquidity and/or obtain new business. Operational risk includes banking operations risk, fraud risk, legal risk, regulatory compliance risk, Shariah non-compliance (SNC) risk, reputational risk, third-party and outsourcing risk, and technology risk but excludes strategic and business risk.	Through the respective risk management frameworks, policies and operational risk management programmes, including Key Risk and Control Self-assessments, Key Operational Risk Indicators, Incident Reporting, Management Risk Awareness, Outsourcing Risk Assessment, Third-Party Non-outsourcing Risk Assessment, Product Programme and Scenario Analysis.
Conduct Risk	The risk of improper employee behaviour or action that results in unfair stakeholder outcomes, negative impact on market integrity and other issues that damage the reputation of the Bank.	The risk of improper employee behaviour or action that results in unfair stakeholder outcomes, negative impact on market integrity and other issues that damage the reputation of the Bank.

Risk Management (Continued)

Material Risks (Continued)

Material Risk	Definition	How risk is managed
Financial Crime risk	Financial crime risk is defined as the risk of regulatory sanctions, financial loss, or damage to the Bank's reputation and franchise value that may arise when the Bank fails to comply with anti-financial crime laws, regulations, rules, standards, or codes of conduct (established by industry associations) that are applicable to the Bank's business activities and operations. Financial crime risk types include money laundering, terrorism financing, internal fraud, mules and scams, bribery and corruption, and all other illegal or unethical dealings.	Through our financial crime risk management framework, policies, procedures and management tolerance.
Strategic and Business risks	Strategic risk refers to the current or prospective negative impact on earnings, capital or reputation arising from adverse strategic decisions, improper implementation of decisions or a lack of responsiveness to industry, economic or technological changes. Business risk refers to the adverse impact on earnings or capital arising from changes in business parameters such as volume, margin and cost.	Through our strategic and business risk management policy.
Model risk	The risk arising from: • the use of an inappropriate model that is unable to accurately evaluate market prices or that is not a mainstream model in the market (such as pricing models); or • inaccurately estimating the probability or magnitude of future losses (such as risk measurement models) and the use of those estimates.	Through our model risk governance framework and managed under the respective material risk types for which there is a quantitative model.
Environmental, Social and Governance risk	ESG risk refers to both financial risks (i.e., credit risk, market risk and liquidity risk) and non-financial risks (e.g., operational risk and reputational damage) arising from ESG issues, including climate change. While a key component of ESG risk arises indirectly from the financial services we provide to our customers, it can also result directly from our own operations.	The different aspects of ESG risk are managed through relevant frameworks, policies and guidelines, including our Environmental Risk Management Framework and Responsible Financing Policy.

Credit Risk

Credit risk is the risk of loss arising from any failure by a borrower or counterparty to meet its financial obligations when they are due. It is the single largest risk that the Bank faces in the core business as a commercial bank, arising primarily from loans/financing and other lending-related commitments to retail, corporate and institutional borrowers. Treasury and capital market operations and investments also expose the Bank to counterparty and issuer credit risks.

The Bank adopts a holistic approach towards assessing credit risk and ensures that credit risk management is part of an integrated approach to enterprise risk management. Integral to the management of credit risk is a framework that clearly defines policies and processes relating to the identification, measurement and management of credit risk. The Bank continually monitors the operating environment to identify emerging risks and formulate appropriate mitigating measures.

Credit Risk Governance and Organisation

The CMC supports the CEO and RMC in managing the Bank's overall credit risk exposures and serves as an executive forum for discussions on all credit-related matters. The CMC also reviews and assesses the Bank's credit portfolios and credit risk profiles.

The Credit Risk Management under Risk Management develops bank-wide credit policies and guidelines, and facilitates business development within a framework that ensures prudent, consistent and robust credit risk management. It is responsible for the analysis, management and reporting of credit risk to the CMC, RMC and Board. The comprehensive credit risk reports cover the Bank's overall credit portfolio accross various dimensions including country, industry, product and business segment.

Credit Risk Policies and Processes

The Bank has established credit policies and processes to manage credit risk in the following key areas:

Credit approval process

Credit origination and approval functions are segregated to maintain the independence and integrity of the credit approval process. Credit approval authority is delegated to officers based on their experience, seniority and track record. All credit approval officers are guided by credit policies and credit acceptance guidelines that are reviewed periodically to ensure their continued relevance to the Bank's business strategy and the business environment.

Credit concentration risk

Credit concentration risk may arise from a single large exposure or from multiple exposures that are closely correlated. We manage such risks by setting exposure limits on borrowers, obligor groups, industries and countries, generally expressed as a percentage of the Bank's eligible capital base.

We manage our credit risk exposures through a robust credit underwriting, structuring and monitoring process. For example, our country risk exposures are managed within an established framework that involves setting country limits. Such limits are based on the country's risk rating, economic potential measured by its gross domestic product and the Bank's business strategy. We perform regular assessments of emerging risks and in-depth reviews on industry trends to provide a forward-looking view on developments that could impact the Bank's portfolio. The Bank also conducts frequent stress testing to assess the resilience of our portfolio in the event of a marked deterioration in operating conditions.

Our credit exposures are well-diversified across industries and balanced exposure towards Wholesale Banking and Retail Banking. The Bank remains vigilant about risks in the sector and actively take steps to manage the exposure.

Credit stress test

Credit stress testing is a core component of the Bank's credit portfolio management process. Its objectives are:

- to assess the profit and loss as well as balance sheet impact of business strategies;
- to quantify the sensitivity of performance drivers under various macroeconomic and business planning scenarios; and
- to evaluate the impact of Management's decisions on capital, funding and leverage.

We conduct stress tests to understand potential credit portfolio losses resulting from stress scenarios, and where applicable, assess their impact on our profitability, balance sheet quality, capital and leverage. Stress tests also help us to identify the vulnerabilities of various business units and enable us to formulate appropriate mitigating measures.

Credit Risk (Continued)

Credit Risk Policies and Processes (Continued)

Credit stress test (Continued)

The Bank's stress test scenarios consider potential and plausible macroeconomic, climate and geopolitical events in varying degrees of likelihood and severity. These are developed in consultation with relevant business units and approved by senior management committees.

Credit Monitoring and Remedial Management

The Bank regularly monitors credit exposures, portfolio performance and emerging risks that may impact its credit risk profile. The Board and senior management committees are updated on credit trends through internal risk reports so that the necessary mitigating measures can be implemented promptly.

Delinquency monitoring

The Bank closely monitors the delinquency of borrowing accounts, which is a key indicator of credit quality. An account is considered delinquent when payment has not been received by the payment due date. All delinquent accounts, including revolving credit facilities (such as an overdraft) with limit excesses, are closely tracked and managed through a disciplined process by officers from the business units and the risk management function. Where appropriate, such accounts are also subject to more frequent credit reviews.

Classification and loan/financing loss impairment

The Bank classifies its credit portfolios according to the borrowers' ability to repay the credit facilities from their normal source of income.

All borrowing accounts are categorised as 'Pass', 'Special Mention' or 'Non-Performing'. 'Non-Performing' or impaired accounts are further sub-divided into 'Substandard', 'Doubtful' or 'Loss' in accordance with the Bank's policy. Any account that is delinquent or past due (or in excess of the approval limit for a revolving credit facility such as an overdraft) for more than 90 days will automatically be categorised as 'Non-Performing'. In addition, any account that exhibits weaknesses which are likely to adversely affect repayment on existing terms may be categorised as 'Non-Performing'. The accounting definition of impairment and the regulatory definition of default are generally aligned.

Upgrading and de-classification of a 'Non-Performing' account to 'Pass' or 'Special Mention' must be supported by a credit assessment of the repayment capability, cash flows and financial position of the borrower. The Bank must also be satisfied that the account has exhibited a sustained trend of improvement.

A credit facility is rescheduled or restructured when a bank grants concessions (usually non-commercial) to a borrower because of a deterioration in the financial position of the borrower or the inability of the borrower to meet the original repayment schedule.

A rescheduled or restructured account may be categorised as 'Non-Performing' when the account exhibits signs of significant increase in credit risk. The rescheduled or restructured account is to be placed on the appropriate classified grade based on the Bank's assessment of the financial condition of the borrower and the ability of the borrower to repay under the rescheduled or restructured terms. A rescheduled or restructured account must comply fully with the rescheduled or restructured terms for a sustained period before it can be de-classified.

Provisions for impairment are made based on local regulatory requirements including Bank Negara Malaysia (BNM) guidelines and MFRS9 for local reporting purposes. Where necessary, additional impairment is provided to comply with the Bank's impairment policy and the BNM's requirements.

Special Asset Management

Special Asset Management (SAM) is an independent unit that manages the restructuring/workout and recovery of the Bank's non-performing portfolios. Its primary objectives are (i) to restructure/nurse the non-performing accounts back to financial health, whenever possible, for transfer back to the business units for management and (ii) to maximise recovery of the non-performing accounts that the Bank intends to exit.

Write-Off Policy

A non-performing account is written off when the prospect of recovery is considered poor or when all feasible avenues of recovery have been exhausted.

Credit Risk (Continued)

(i) The credit exposures of the Bank by sectors as at 31 December 2025:

Bank	Sovereigns /central banks RM'000	Public sector entities RM'000	Banks, DFIs and MDBs RM'000	Insurance cos, securities firms and fund managers RM'000	Corporates (including specialised lending and SMEs) RM'000	Retail RM'000	Residential mortgages RM'000	Higher risk assets RM'000	Other assets RM'000	Securitisation exposure RM'000	Equity exposures RM'000	Grand total RM'000
Agriculture, hunting, forestry and fishing	-	-	-	-	743,963	17,314	-	-	-	-	-	761,277
Mining and quarrying	-	-	-	-	551,275	10,798	-	-	-	-	-	562,073
Manufacturing	-	-	-	-	13,394,889	1,426,582	-	-	-	-	-	14,821,471
Electricity, gas and water	-	-	-	-	1,677,254	38,759	-	-	-	-	-	1,716,013
Construction	-	-	-	-	14,669,695	562,676	-	-	-	-	-	15,232,371
Wholesale, retail trade, restaurants and hotels	-	-	-	-	10,226,339	4,940,147	-	-	-	-	-	15,166,486
Transport, storage and communication	-	-	-	-	8,612,642	568,486	-	-	-	-	-	9,181,128
Finance, insurance and business services	4,274,170	834,224	11,912,568	270,248	2,814,216	874,545	-	-	-	-	159,824	21,139,795
Real estate	-	-	-	-	5,885,013	741,340	41,739,429	208	-	107,584	-	48,473,574
Community, social and personal services	26,332,821	-	-	-	881,458	169,071	-	-	-	-	-	27,383,350
Households	-	-	-	-	-	28,489,657	5,333,312	1,305	-	-	-	33,824,274
Others	-	-	-	-	8,415	-	-	-	3,460,793	-	-	3,469,208
	30,606,991	834,224	11,912,568	270,248	59,465,159	37,839,375	47,072,741	1,513	3,460,793	107,584	159,824	191,731,020

Note: The credit exposures in the tables (i) to (iv) and table (viii) are based on exposures as defined under BNM's Capital Adequacy Framework for Standardised Approach and IRB Approach respectively.

Credit Risk (Continued)

(i) The credit exposures of the Bank by sectors as at 31 December 2024:

Bank	Sovereigns /central banks RM'000	Public sector entities RM'000	Banks, DFIs and MDBs RM'000	Insurance cos, securities firms and fund managers RM'000	Corporates (including specialised lending and SMEs) RM'000	Retail RM'000	Residential mortgages RM'000	Higher risk assets RM'000	Other assets RM'000	Securitisation exposure RM'000	Equity exposures RM'000	Grand total RM'000
Agriculture, hunting, forestry and fishing	-	-	-	-	945,500	22,406	-	-	-	-	-	967,906
Mining and quarrying	-	-	-	-	245,754	27,789	-	-	-	-	-	273,543
Manufacturing	-	-	-	-	11,282,142	1,508,749	-	-	-	-	-	12,790,891
Electricity, gas and water	-	-	-	-	1,816,553	45,124	-	-	-	-	-	1,861,677
Construction	-	-	-	-	13,260,176	622,314	-	-	-	-	-	13,882,490
Wholesale, retail trade, restaurants and hotels	-	-	-	-	10,663,618	4,930,577	-	-	-	-	-	15,594,195
Transport, storage and communication	-	-	-	-	8,630,631	531,840	-	-	-	-	-	9,162,471
Finance, insurance and business services	5,494,415	645,662	10,885,919	829,911	2,783,922	896,148	-	-	-	-	173,214	21,709,191
Real estate	-	-	-	-	4,618,558	1,383,552	42,457,829	1,805	-	120,035	947	48,582,726
Community, social and personal services	20,990,208	-	-	-	892,670	152,179	-	-	-	-	-	22,035,057
Households	-	-	-	-	-	26,310,166	3,170,779	17	-	-	-	29,480,962
Others	-	-	-	-	20,698	-	-	-	3,349,447	-	-	3,370,145
	26,484,623	645,662	10,885,919	829,911	55,160,222	36,430,844	45,628,608	1,822	3,349,447	120,035	174,161	179,711,254

Note: The credit exposures in the tables (i) to (iv) and table (viii) are based on exposures as defined under BNM's Capital Adequacy Framework for Standardised Approach and IRB Approach respectively.

Credit Risk (Continued)

(ii) The credit exposures under the Islamic Banking Window by sectors as at 31 December 2025:

Islamic Banking Window	Sovereigns /central banks RM'000	Public sector entities RM'000	Banks, DFIs and MDBs RM'000	Insurance/ Takaful cos, securities firms and fund managers RM'000	Corporates (including specialised lending and SMEs) RM'000	Retail RM'000	Residential mortgages RM'000	Other assets RM'000	Equity exposures RM'000	Grand total RM'000
Agriculture, hunting, forestry and fishing	-	-	-	-	178,605	1,097	-	-	-	179,702
Mining and quarrying	-	-	-	-	33,156	-	-	-	-	33,156
Manufacturing	-	-	-	-	744,486	154,762	-	-	-	899,248
Electricity, gas and water	-	-	-	-	237,448	2,594	-	-	-	240,042
Construction	-	-	-	-	594,652	50,892	-	-	-	645,544
Wholesale, retail trade, restaurants and hotels	-	-	-	-	538,483	479,270	-	-	-	1,017,753
Transport, storage and communication	-	-	-	-	1,437,374	63,205	-	-	-	1,500,579
Finance, insurance and business services	-	-	2,879,845	2,571	144,714	130,983	-	-	-	3,158,113
Real estate	-	-	-	-	452,604	121,943	4,122,241	-	-	4,696,788
Community, social and personal services	4,338,102	145,859	-	-	-	33,592	-	-	-	4,517,553
Households	-	-	-	-	-	343,373	287,611	-	-	630,984
Others	-	-	-	-	-	-	-	11,958	-	11,958
	4,338,102	145,859	2,879,845	2,571	4,361,522	1,381,711	4,409,852	11,958	-	17,531,420

Credit Risk (Continued)

(ii) The credit exposures under the Islamic Banking Window by sectors as at 31 December 2024:

Islamic Banking Window	Sovereigns /central banks RM'000	Public sector entities RM'000	Banks, DFIs and MDBs RM'000	Insurance/ Takaful cos, securities firms and fund managers RM'000	Corporates (including specialised lending and SMEs) RM'000	Retail RM'000	Residential mortgages RM'000	Other assets RM'000	Equity exposures RM'000	Grand total RM'000
Agriculture, hunting, forestry and fishing	-	-	-	-	297,306	1,284	-	-	-	298,590
Mining and quarrying	-	-	-	-	29,076	-	-	-	-	29,076
Manufacturing	-	-	-	-	609,469	169,300	-	-	-	778,769
Electricity, gas and water	-	-	-	-	751,799	5,648	-	-	-	757,447
Construction	-	-	-	-	591,061	54,526	-	-	-	645,587
Wholesale, retail trade, restaurants and hotels	-	-	-	-	358,719	510,852	-	-	-	869,571
Transport, storage and communication	-	-	-	-	488,468	62,469	-	-	-	550,937
Finance, insurance and business services	970,158	158,024	1,956,661	404,886	187,645	145,645	-	-	-	3,823,019
Real estate	-	-	-	-	318,326	166,184	4,080,633	-	-	4,565,143
Community, social and personal services	2,584,725	-	-	-	211,345	32,118	-	-	-	2,828,188
Households	-	-	-	-	-	238,068	64,363	-	-	302,431
Others	-	-	-	-	-	-	-	14,352	-	14,352
	3,554,883	158,024	1,956,661	404,886	3,843,214	1,386,094	4,144,996	14,352	-	15,463,110

Credit Risk (Continued)

(iii) The credit exposures of the Bank by remaining contractual maturities as at 31 December 2025:

Bank	Sovereigns /central banks RM'000	Public sector entities RM'000	Banks, DFIs and MDBs RM'000	Insurance cos, securities firms and fund managers RM'000	Corporates (including specialised lending and SMEs) RM'000	Retail RM'000	Residential mortgages RM'000	Higher risk assets RM'000	Other assets RM'000	Securitisation exposure RM'000	Equity exposures RM'000	Grand total RM'000
< 3 months	3,315,409	116,264	4,080,104	64,360	13,609,008	1,296,759	4,391	13	-	-	-	22,486,308
3 - 6 months	-	312,743	908,451	26,445	4,777,032	307,761	4,540	10	-	-	-	6,336,982
6 - 12 months	1,612,675	72,473	2,297,565	27,875	6,164,335	19,814,321	1,341,627	42	3,460,793	-	159,824	34,951,530
1 - 3 years	3,498,134	15,422	2,157,444	149,311	13,489,721	2,669,719	173,344	118	-	-	-	22,153,213
3 - 5 years	2,710,738	-	2,072,316	2,257	11,094,120	1,030,753	395,535	80	-	107,584	-	17,413,383
> 5 years	19,470,035	317,322	396,688	-	10,330,943	12,720,062	45,153,304	1,250	-	-	-	88,389,604
	30,606,991	834,224	11,912,568	270,248	59,465,159	37,839,375	47,072,741	1,513	3,460,793	107,584	159,824	191,731,020

The credit exposures of the Bank by remaining contractual maturities as at 31 December 2024:

Bank	Sovereigns /central banks RM'000	Public sector entities RM'000	Banks, DFIs and MDBs RM'000	Insurance cos, securities firms and fund managers RM'000	Corporates (including specialised lending and SMEs) RM'000	Retail RM'000	Residential mortgages RM'000	Higher risk assets RM'000	Other assets RM'000	Securitisation exposure RM'000	Equity exposures RM'000	Grand total RM'000
< 3 months	2,825,197	81,301	3,785,883	91,004	13,591,751	1,306,917	2,916	196	-	-	-	21,685,165
3 - 6 months	-	211,250	742,822	34,878	5,265,902	311,790	4,783	26	-	-	-	6,571,451
6 - 12 months	2,710,871	119,886	3,655,052	441,373	4,850,411	18,195,649	1,459,085	-	3,349,447	-	174,161	34,955,935
1 - 3 years	3,432,090	15,368	1,210,315	227,902	15,695,608	2,673,730	176,530	119	-	-	-	23,431,662
3 - 5 years	3,902,746	-	1,387,348	418	9,055,291	1,071,049	408,985	150	-	20,006	-	15,845,993
> 5 years	13,613,719	217,857	104,499	34,336	6,701,259	12,871,709	43,576,309	1,331	-	100,029	-	77,221,048
	26,484,623	645,662	10,885,919	829,911	55,160,222	36,430,844	45,628,608	1,822	3,349,447	120,035	174,161	179,711,254

Credit Risk (Continued)

(iv) The credit exposures under the Islamic Banking Window by remaining contractual maturities as at 31 December 2025:

Islamic Banking Window	Sovereigns /central banks RM'000	Public sector entities RM'000	Banks, DFIs and MDBs RM'000	Insurance/ Takaful cos, securities firms and fund managers RM'000	Corporates (including specialised financing and SMEs) RM'000	Retail RM'000	Residential mortgages RM'000	Other assets RM'000	Equity exposures RM'000	Grand total RM'000
< 3 months	1,583,570	49,026	1,127,478	2,449	587,795	7,332	45	-	-	3,357,695
3 - 6 months	-	57,856	728	-	292,253	1,536	20	-	-	352,393
6 - 12 months	340,665	38,977	1,551,318	122	30,398	553	131	11,958	-	1,974,122
1 - 3 years	1,334,626	-	200,321	-	1,133,699	19,544	2,744	-	-	2,690,934
3 - 5 years	411,425	-	-	-	1,155,280	9,351	5,122	-	-	1,581,178
> 5 years	667,816	-	-	-	1,162,097	1,343,395	4,401,790	-	-	7,575,098
	4,338,102	145,859	2,879,845	2,571	4,361,522	1,381,711	4,409,852	11,958	-	17,531,420

The credit exposures under the Islamic Banking Window by remaining contractual maturities as at 31 December 2024:

Islamic Banking Window	Sovereigns /central banks RM'000	Public sector entities RM'000	Banks, DFIs and MDBs RM'000	Insurance/ Takaful cos, securities firms and fund managers RM'000	Corporates (including specialised financing and SMEs) RM'000	Retail RM'000	Residential mortgages RM'000	Other assets RM'000	Equity exposures RM'000	Grand total RM'000
< 3 months	932,077	17,460	728,654	762	546,594	7,675	17	-	-	2,233,239
3 - 6 months	-	60,480	97,191	3,112	91,771	1,351	11	-	-	253,916
6 - 12 months	757,858	80,084	1,129,075	401,012	90,425	231	191	14,352	-	2,473,228
1 - 3 years	662,879	-	1,741	-	1,864,296	15,766	1,671	-	-	2,546,353
3 - 5 years	-	-	-	-	296,154	7,138	7,278	-	-	310,570
> 5 years	1,202,069	-	-	-	953,974	1,353,933	4,135,828	-	-	7,645,804
	3,554,883	158,024	1,956,661	404,886	3,843,214	1,386,094	4,144,996	14,352	-	15,463,110

Credit Risk (Continued)

(v) Past due and credit-impaired loans, advances and financing of the Bank analysed by economic sectors:

Bank	2025		2024	
	Past due but not impaired RM'000	Credit-impaired loans, advances and financing RM'000	Past due but not impaired RM'000	Credit-impaired loans, advances and financing RM'000
Agriculture, hunting, forestry and fishing	-	-	1,895	-
Mining and quarrying	109	568	-	568
Manufacturing	68,844	105,857	69,582	100,382
Electricity, gas and water	14,947	2	314	17
Construction	38,917	749,209	153,154	679,950
Wholesale, retail trade, restaurant and hotels	140,414	374,712	367,180	318,604
Transport, storage and communication	73,965	44,976	48,388	35,581
Finance, insurance and business services	68,622	28,730	45,302	33,609
Real estate	62,802	223,819	71,724	240,719
Community, social and personal services	6,859	3,904	3,794	3,989
Households:				
- purchase of residential properties	2,194,170	999,091	2,092,218	920,067
- purchase of non-residential properties	278,011	160,823	271,741	149,784
- others	371,944	197,849	375,549	179,740
	3,319,604	2,889,540	3,500,841	2,663,010

Past due and credit-impaired financing, advances and others under the Islamic Banking Window analysed by economic sectors:

Islamic Banking Window	2025		2024	
	Past due but not impaired RM'000	Credit-impaired financing, advances and others RM'000	Past due but not impaired RM'000	Credit-impaired financing, advances and others RM'000
Agriculture, hunting, forestry and fishing	-	-	-	-
Mining and quarrying	-	-	-	-
Manufacturing	5,554	4,564	5,593	4,173
Construction	2,221	33,645	28,319	28,670
Wholesale, retail trade, restaurant and hotels	7,867	14,900	6,887	19,159
Transport, storage and communication	2,935	8,002	1,028	2,058
Finance, insurance and business services	8,465	-	6,166	1,476
Real estate	17,912	-	13,654	-
Community, social and personal services	5,630	1,988	2,817	1,987
Households:				
- purchase of residential properties	332,557	138,050	321,320	133,755
- purchase of non-residential properties	11,473	3,351	9,432	4,188
- others	4,962	1,367	2,478	1,269
	399,576	205,867	397,694	196,735

Credit Risk (Continued)

(vi) Allowances for Expected Credit Loss (ECL) 1,2 and 3 of the Bank analysed by economic sectors:

	2025		2024	
Bank	**ECL 3 RM'000**	**ECL 1 and ECL 2 RM'000**	**ECL 3 RM'000**	**ECL 1 and ECL 2 RM'000**
Agriculture, hunting, forestry and fishing	-	8,500	-	13,198
Mining and quarrying	568	1,364	568	8,468
Manufacturing	48,996	240,402	49,665	177,132
Electricity, gas and water	2	18,869	17	53,312
Construction	125,355	353,899	119,986	227,367
Wholesale, retail trade, restaurant and hotels	157,120	320,649	131,788	445,187
Transport, storage and communication	4,037	44,334	5,153	114,112
Finance, insurance and business services	5,749	34,822	7,650	71,608
Real estate	78,845	98,042	82,612	98,781
Community, social and personal services	409	2,320	309	5,756
Households:				
- purchase of residential properties	186,926	298,026	156,086	268,394
- purchase of non-residential properties	55,307	15,708	48,662	20,201
- others	84,826	171,310	53,796	273,466
	748,140	1,608,245	656,292	1,776,982

Note: Expected Credit Loss (ECL) measurement approaches can be found in Financial Statement Note 41.1 (b).

Allowances for Expected Credit Loss (ECL) 1,2 and 3 under the Islamic Banking Window analysed by economic sectors:

	2025		2024	
Islamic Banking Window	**ECL 3 RM'000**	**ECL 1 and ECL 2 RM'000**	**ECL 3 RM'000**	**ECL 1 and ECL 2 RM'000**
Agriculture, hunting, forestry and fishing	-	183	-	1,669
Mining and quarrying	-	22	-	67
Manufacturing	215	4,393	221	6,402
Electricity, gas and water	-	240	-	6,841
Construction	2,084	1,425	-	3,194
Wholesale, retail trade, restaurant and hotels	1,861	7,967	2,638	27,264
Transport, storage and communication	717	1,201	720	1,670
Finance, insurance and business services	-	2,380	101	1,415
Real estate	-	4,722	-	1,918
Community, social and personal services	1	579	-	1,201
Households:				
- purchase of residential properties	30,023	32,344	26,585	31,356
- purchase of non-residential properties	1,261	881	1,254	665
- others	200	164	89	266
	36,362	56,501	31,608	83,928

Credit Risk (Continued)

(vii) Allowances for Expected Credit Loss 3 (ECL 3) of the Bank analysed by economic sectors:

	2025		2024	
Bank	**Allowances for ECL 3 made during the year RM'000**	**Write-offs during the year RM'000**	**Allowances for ECL 3 made during the year RM'000**	**Write-offs during the year RM'000**
Agriculture, hunting, forestry and fishing	-	-	-	-
Mining and quarrying	-	-	-	-
Manufacturing	9,767	2,178	8,943	4,811
Electricity, gas and water	-	-	-	-
Construction	37,854	1,955	20,357	497
Wholesale, retail trade, restaurant and hotels	57,013	23,586	25,721	48,173
Transport, storage and communication	662	1,117	2,583	779
Finance, insurance and business services	2,975	3,175	3,547	6,346
Real estate	4,777	1,810	9,773	16
Community, social and personal services	102	-	161	413
Households:				
- purchase of residential properties	122,257	53,162	90,143	77,867
- purchase of non-residential properties	25,796	13,297	37,903	17,585
- others	208,297	167,719	192,732	198,515
	469,500	267,999	391,862	355,002

Allowances for ECL 3 under the Islamic Banking Window analysed by economic sectors:

	2025		2024	
Islamic Banking Window	**Allowances for ECL 3 made during the year RM'000**	**Write-offs during the year RM'000**	**Allowances for ECL 3 made during the year RM'000**	**Write-offs during the year RM'000**
Agriculture, hunting, forestry and fishing	-	-	-	-
Mining and quarrying	-	-	-	-
Manufacturing	168	-	397	1,907
Electricity, gas and water	-	-	-	-
Construction	2,084	-	-	-
Wholesale, retail trade, restaurant and hotels	182	-	1,206	-
Transport, storage and communication	-	-	382	20
Finance, insurance and business services	-	1	32	-
Real estate	-	-	-	-
Community, social and personal services	1	-	-	-
Households:				
- purchase of residential properties	20,172	8,715	16,927	10,463
- purchase of non-residential properties	726	561	640	736
- others	114	-	86	-
	23,447	9,277	19,670	13,126

Impaired loans/financing by geographical area

The Bank's impaired loan, advances and financing are disclosed in Note 11(ix) and Note 47.d(x) of the Bank's financial statements.

Credit Risk (Continued)

(viii) Credit exposures of the Bank analysed by geography:

Bank As at 31 December 2025	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Exempted exposures under Standardised Approach			
Sovereigns/central banks	30,606,991	-	30,606,991
Public sector entities	834,224	-	834,224
Banks, Development Financial Institutions & MDBs	-	-	-
Insurance cos, securities firms & fund managers	41,892	-	41,892
Corporates	296,049	-	296,049
Regulatory retail	9,099,243	-	9,099,243
Residential mortgages	4,359,606	-	4,359,606
Higher risk assets	1,513	-	1,513
Other assets	3,460,793	-	3,460,793
Securitisation exposure	107,584	-	107,584
Equity exposure	159,824	-	159,824
Total exempted exposures	48,967,720	-	48,967,720
Exposures under IRB Approach			
Banks, Development Financial Institutions & MDBs	10,380,034	1,532,534	11,912,568
Insurance cos, Securities firms & fund managers	219,373	8,982	228,356
Corporates	58,537,249	631,859	59,169,108
Residential mortgages	39,590,648	3,122,487	42,713,135
Qualifying revolving retail exposures	9,954,511	33,136	9,987,648
Other retail exposures	17,720,980	1,031,506	18,752,486
Equity exposure	-	-	-
Total IRB Approach	136,402,796	6,360,505	142,763,300
Total credit risk exposures	185,370,516	6,360,505	191,731,020

Note: Exposures outside of Malaysia are mainly credit facilities extended to non-residents.

Credit Risk (Continued)

Credit exposures of the Bank analysed by geography (Continued):

Bank As at 31 December 2024	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
Exempted exposures under Standardised Approach			
Sovereigns/central banks	26,484,623	-	26,484,623
Public sector entities	645,662	-	645,662
Banks, Development Financial Institutions & MDBs	4,935	-	4,935
Insurance cos, securities firms & fund managers	71,153	-	71,153
Corporates	351,732	-	351,732
Regulatory retail	9,698,430	-	9,698,430
Residential mortgages	5,001,808	-	5,001,808
Higher risk assets	1,822	-	1,822
Other assets	3,349,447	-	3,349,447
Securitisation exposure	120,035	-	120,035
Equity exposure	173,214	-	173,214
Total exempted exposures	45,902,861	-	45,902,861
Exposures under IRB Approach			
Banks, Development Financial Institutions & MDBs	7,483,096	3,397,888	10,880,984
Insurance cos, Securities firms & fund managers	662,370	96,388	758,758
Corporates	53,515,335	1,293,156	54,808,491
Residential mortgages	37,209,823	3,416,976	40,626,799
Qualifying revolving retail exposures	8,016,049	33,225	8,049,274
Other retail exposures	17,530,322	1,152,817	18,683,139
Equity exposure	947	-	947
Total IRB Approach	124,417,942	9,390,451	133,808,392
Total credit risk exposures	170,320,803	9,390,451	179,711,254

Note: Exposures outside of Malaysia are mainly credit facilities extended to non-residents.

Credit Risk (Continued)

Credit Exposures under Basel II

Under Basel II, credit risk for the various asset classes may be computed using a combination of:

i. Standardised Approach (SA);
ii. Foundation Internal Ratings-Based (FIRB) Approach; and
iii. Advanced Internal Ratings-Based (AIRB) Approach.

The table below summarises the approaches adopted by the Bank for credit risk computation.

The Bank has adopted the FIRB Approach for its non-retail exposures and the AIRB Approach for its retail exposures.

	Standardised* RM'million	FIRB RM'million	AIRB RM'million
Total Credit Exposures	48,948	64,529	71,453

Note*:
- Amount under Standardised Approach refers to credit exposures where IRB Approach is not applicable.
- On 1 November 2022, the Bank had acquired Citibank Bhd's consumer banking portfolio which is currently reported under Standardised Approach.

The Bank had on 7 January 2010 received approval from BNM to migrate directly to the Internal Ratings Based Approach for credit risk beginning January 2010 as per the Risk Weighted Capital Adequacy Framework.

For exposures subject to the SA, approved External Credit Assessment Institutions (ECAI) ratings and prescribed risk weights based on asset class are used in the computation of regulatory capital.

The ECAI used by the Bank are Rating Agency Malaysia (RAM), Fitch Ratings, Moody's Investors Service, Malaysian Rating Corporation Berhad (MARC) and Standard & Poor's (S&P). ECAI ratings are mapped to a common credit quality grade prescribed by BNM.

Credit Risk (Continued)

The aggregate breakdown of credit risk exposures of the Bank by risk weights under the Standardised Approach as at 31 December 2025:

RM'000

Risk weights	Bank												
	Sovereigns /central banks	Public sector entities	Banks, DFIs and MDBs	Insurance cos, securities firms and fund managers	Corporates	Regulatory retail	Residential mortgages	Higher risk assets	Other assets	Securitisation exposure	Equity exposure	Total exposures after netting and CRM	Total RWA
0%	30,563,345	530,643	-	-	2,318	-	-	-	1,693,682	-	-	32,789,988	-
10%	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	43,646	303,581	-	-	-	-	-	-	-	107,584	-	454,811	90,962
35%	-	-	-	-	-	-	3,951,545	-	-	-	-	3,951,545	1,383,041
50%	-	-	-	-	115	15,208	123,336	-	-	-	-	138,659	69,330
75%	-	-	-	-	-	9,054,862	123,891	-	-	-	-	9,178,753	6,884,065
90%	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	41,892	282,954	11,107	160,834	-	1,767,111	-	159,824	2,423,722	2,423,722
110%	-	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	6,393	3,063	-	1,513	-	-	-	10,969	16,452
270%	-	-	-	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
1250%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**30,606,991**	**834,224**	**-**	**41,892**	**291,780**	**9,084,240**	**4,359,606**	**1,513**	**3,460,793**	**107,584**	**159,824**	**48,948,447**	**10,867,572**

Credit Risk (Continued)

The aggregate breakdown of credit risk exposures of the Bank by risk weights under the Standardised Approach as at 31 December 2024:

RM'000

Risk weights	Bank												
	Sovereigns /central banks	Public sector entities	Banks, DFIs and MDBs	Insurance cos, securities firms and fund managers	Corporates	Regulatory retail	Residential mortgages	Higher risk assets	Other assets	Securitisation exposure	Equity exposure	Total exposures after netting and CRM	Total RWA
0%	26,391,176	233,224	-	-	4,081	2,705	-	-	1,204,068	-	-	27,835,254	-
10%	-	-	-	-	-	-	-	-	-	-	-	-	-
20%	93,447	412,438	4,935	-	-	-	-	-	-	120,035	-	630,855	126,171
35%	-	-	-	-	-	-	4,448,540	-	-	-	-	4,448,540	1,556,989
50%	-	-	-	-	-	3,699	174,655	-	-	-	-	178,354	89,177
75%	-	-	-	-	-	9,650,008	149,312	-	-	-	-	9,799,320	7,349,490
90%	-	-	-	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	71,153	335,623	28,353	228,534	-	2,145,379	-	173,214	2,982,256	2,982,256
110%	-	-	-	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	7,843	13,355	767	1,822	-	-	-	23,787	35,680
270%	-	-	-	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-	-	-	-
1250%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**26,484,623**	**645,662**	**4,935**	**71,153**	**347,547**	**9,698,120**	**5,001,808**	**1,822**	**3,349,447**	**120,035**	**173,214**	**45,898,366**	**12,139,763**

Credit Risk (Continued)

Credit Exposures under Basel II (Continued)

The table below summarises the approaches adopted under the Islamic Banking Window for credit risk computation.

The Bank has adopted the FIRB Approach for its non-retail exposures and the AIRB Approach for its retail exposures under its Islamic Banking Window:

	Standardised* RM'million	FIRB RM'million	AIRB RM'million
Total Credit Exposures	4,560	5,668	5,734

Note*:

- Amount under Standardised Approach refers to credit exposures where IRB Approach is not applicable.
- The Islamic Banking consumer portfolio acquired from Citibank Bhd is currently reported under Standardised Approach.

The aggregate breakdown of credit risk exposures under Islamic Banking Window by risk weights under the Standardised Approach as at 31 December 2025:

RM'000

Risk weights	Islamic Banking Window									
	Sovereigns /central banks	Public sector entities	Banks, DFIs and MDBs	Insurance cos, securities firms and fund managers	Corporates	Regulatory Retail	Residential mortgages	Other assets	Total exposures after netting and CRM	Total RWA
0%	4,338,102	-	-	-	700	-	-	-	4,338,802	-
10%	-	-	-	-	-	-	-	-	-	-
20%	-	145,859	-	-	-	-	-	-	145,859	29,172
35%	-	-	-	-	-	-	52,331	-	52,331	18,316
50%	-	-	-	-	-	-	66	-	66	33
75%	-	-	-	-	-	-	5	-	5	4
90%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	2,571	2,720	-	5,296	11,958	22,545	22,545
110%	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-
270%	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-
1250%	-	-	-	-	-	-	-	-	-	-
Total	**4,338,102**	**145,859**	**-**	**2,571**	**3,420**	**-**	**57,698**	**11,958**	**4,559,608**	**70,070**

Credit Risk (Continued)

Credit Exposures under Basel II (Continued)

The aggregate breakdown of credit risk exposures under Islamic Banking Window by risk weights under the Standardised Approach as at 31 December 2024:

RM'000

Risk weights	Islamic Banking Window									
	Sovereigns /central banks	Public sector entities	Banks, DFIs and MDBs	Insurance cos, securities firms and fund managers	Corporates	Regulatory Retail	Residential mortgages	Other assets	Total exposures after netting and CRM	Total RWA
0%	3,554,883	-	-	-	700	-	-	-	3,555,583	-
10%	-	-	-	-	-	-	-	-	-	-
20%	-	158,024	-	-	-	-	-	-	158,024	31,605
35%	-	-	-	-	-	-	62,529	-	62,529	21,885
50%	-	-	-	-	-	-	-	-	-	-
75%	-	-	-	-	-	-	-	-	-	-
90%	-	-	-	-	-	-	-	-	-	-
100%	-	-	-	3,874	2,620	-	5,180	14,352	26,026	26,026
110%	-	-	-	-	-	-	-	-	-	-
125%	-	-	-	-	-	-	-	-	-	-
135%	-	-	-	-	-	-	-	-	-	-
150%	-	-	-	-	-	-	-	-	-	-
270%	-	-	-	-	-	-	-	-	-	-
350%	-	-	-	-	-	-	-	-	-	-
400%	-	-	-	-	-	-	-	-	-	-
625%	-	-	-	-	-	-	-	-	-	-
937.5%	-	-	-	-	-	-	-	-	-	-
1250%	-	-	-	-	-	-	-	-	-	-
Total	**3,554,883**	**158,024**	**-**	**3,874**	**3,320**	**-**	**67,709**	**14,352**	**3,802,162**	**79,516**

Credit Risk (Continued)

Rated Exposures of the Bank by ECAI ratings as at 31 December 2025:

RM'000

Exposure class	Ratings of Corporates by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
On and off-balance sheet exposures						
Credit exposures (using corporate risk weights)						
Public sector entities (applicable for entities risk weighted based on their external ratings as corporates)		-	-	-	-	834,224
Insurance cos, securities firms and fund managers		-	-	-	-	41,892
Corporates		-	-	-	-	291,778
Total		**-**	**-**	**-**	**-**	**1,167,894**

RM'000

Exposure class	Ratings of Sovereigns and Central Banks by Approved ECAIs						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated
On and off-balance sheet exposures							
Sovereigns/central banks		1,658,951	16,401,659	8,272,211	-	-	4,274,170
Total		**1,658,951**	**16,401,659**	**8,272,211**	**-**	**-**	**4,274,170**

Credit Risk (Continued)

Rated Exposures of the Bank by ECAI ratings as at 31 December 2024:

RM'000

Exposure class	Ratings of Corporates by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
On and off-balance sheet exposures						
Credit exposures (using corporate risk weights)						
Public sector entities (applicable for entities risk weighted based on their external ratings as corporates)		-	-	-	-	645,662
Insurance cos, securities firms and fund managers		-	-	-	-	71,153
Corporates		-	-	-	-	347,547
Total		**-**	**-**	**-**	**-**	**1,064,361**

RM'000

Exposure class	Ratings of Banking Institutions by Approved ECAIs						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated
On and off-balance sheet exposures							
Banks, DFIs and MDBs		4,935	-	-	-	-	-
Total		**4,935**	**-**	**-**	**-**	**-**	**-**

RM'000

Exposure class	Ratings of Sovereigns and Central Banks by Approved ECAIs						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated
On and off-balance sheet exposures							
Sovereigns/central banks		-	16,642,684	9,821,600	-	-	20,339
Total		**-**	**16,642,684**	**9,821,600**	**-**	**-**	**20,339**

Credit Risk (Continued)

Rated Exposures of the Islamic Banking Window by ECAI ratings as at 31 December 2025:

RM'000

Exposure class	Ratings of Corporates by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
On and off-balance sheet exposures						
Credit exposures (using corporate risk weights)						
Public sector entities (applicable for entities risk weighted based on their external ratings as corporates)		-	-	-	-	145,859
Insurance cos, securities firms and fund managers		-	-	-	-	2,571
Corporates		-	-	-	-	3,420
Total		**-**	**-**	**-**	**-**	**151,850**

RM'000

Exposure class	Ratings of Sovereigns and Central Banks by Approved ECAIs						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated
On and off-balance sheet exposures							
Sovereigns/central banks		-	1,603,144	1,419,926	-	-	1,315,032
Total		**-**	**1,603,144**	**1,419,926**	**-**	**-**	**1,315,032**

Credit Risk (Continued)

Rated Exposures of the Islamic Banking Window by ECAI ratings as at 31 December 2024:

RM'000

Exposure class	Ratings of Corporates by Approved ECAIs					
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	B1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	B to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	B+ to D	Unrated
On and off-balance sheet exposures						
Credit exposures (using corporate risk weights)						
Public sector entities (applicable for entities risk weighted based on their external ratings as corporates)		-	-	-	-	158,024
Insurance cos, securities firms and fund managers		-	-	-	-	3,874
Corporates		-	-	-	-	3,320
Total		**-**	**-**	**-**	**-**	**165,218**

RM'000

Exposure class	Ratings of Sovereigns and Central Banks by Approved ECAIs						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Ba3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1 to BB3	BB1 to B3	C1 to D	Unrated
	MARC	AAA to AA-	A+ to A-	BBB+ to BB-	BB+ to B-	C+ to D	Unrated
On and off-balance sheet exposures							
Sovereigns/central banks		-	1,798,252	1,756,631	-	-	-
Total		**-**	**1,798,252**	**1,756,631**	**-**	**-**	**-**

Credit Risk (Continued)

Internal Credit Rating System

The Bank employs internal rating models to support the assessment of credit risk and the assignment of exposures to rating grades or pools. Internal ratings are used pervasively by the Bank in the areas of credit approval, credit review and monitoring, credit stress-testing, limits setting, pricing and collections.

The Bank has defined the roles and responsibilities of the various stakeholders in the credit rating process, including model development and review, model performance monitoring, annual model validation and independent reviews by Internal Audit in order to ensure the reliable and consistent performance of the Bank's rating systems.

Credit risk models are validated independently before they are implemented to ensure that they are fit for purpose. We monitor the robustness of these rating models on an ongoing basis and all models are subject to annual reviews by model owners to ascertain that the chosen risk factors and assumptions continue to remain relevant for the respective portfolios. All new models, model changes and annual reviews are approved by the EXCO or Board, depending on the materiality of the portfolio.

Non-Retail Exposures

The Bank has adopted the FIRB Approach for its non-retail exposures. Under this approach, the internal models estimate a probability of default (PD) or supervisory slot for each borrower. These models employ qualitative and quantitative factors to provide an assessment of the borrower's ability to meet its financial obligations. The models are calibrated to provide an estimate of the likelihood of default over a one-year time horizon. A default is considered to have occurred if:

- the obligor is unlikely to pay its credit obligations in full to the Bank, without recourse by the Bank to actions such as realising the security; or
- the obligor is past due for more than 90 days on any credit obligation to the Bank.

Supervisory loss given default (LGD) and exposure at default (EAD) parameters prescribed by the BNM are used together with the internal credit ratings to calculate risk weights and regulatory capital requirements.

While the Bank's internal risk rating grades may show some correlation with the rating grades of External Credit Assessment Institutions (ECAIs), they are not directly comparable with or equivalent to the ECAIs ratings.

Corporate Portfolio

The Bank has developed models to rate Non-bank Financial Institution (NBFI), Large Corporate (LC) and SME portfolios. Credit risk factors used to derive a borrower's risk rating include the borrower's financial strength, quality of management, business risks, and the industry in which it operates. The borrower risk-rating process is augmented by facility risk ratings, which take into account the type and structure of the facility, availability and type of collateral and seniority of the exposure.

The Bank's internal rating grade structure for the NBFI, LC and SME models consists of 16 pass grades. The models are mapped to the rating scale by calibration that takes into account the respective portfolio's long-term average default rate.

Specialised Lending Portfolio

The Bank has also developed models for three Specialised Lending portfolios, namely: Income Producing Real Estate (IPRE), Commodities Finance (CF) and Project Finance (PF). These models produce internal risk grades that are derived based on a comprehensive assessment of financial and non-financial risk factors.

The rating grade structure for the IPRE portfolio, like our Corporate models, has 16 pass grades. Risk grades derived for the CF and PF portfolios are mapped to four prescribed supervisory slotting categories, which determine the risk weights to be applied to such exposures.

Bank Portfolio

Exposures in our Bank portfolio are rated by our internal Bank model, which takes into account asset quality, capital adequacy, liquidity, quality of management, regulatory environment and the robustness of the overall banking system. The model has an internal rating grade structure consisting of 15 pass grades.

Credit Risk (Continued)

Equity Portfolio

The Bank adopts the following approaches for its equity investments:

i. Simple Risk Weight (SRW) method for its equity investment portfolio; and
ii. PD/LGD method for its investments in Tier-1 and Tier-2 perpetual securities issued by banks.

Investment exposures adopting the SRW method are subject to the supervisory risk weights, while investment exposures adopting the PD/LGD method are rated using the Bank's internal model.

Retail Exposures

The Bank has adopted the Advanced Internal Ratings-Based (AIRB) Approach for its retail exposures, which consist of residential mortgages, qualifying revolving retail exposures and other retail exposures. Exposures within each of these asset classes are not managed individually, but as part of a pool of similar exposures that are segmented based on borrower and transaction characteristics. As the loss characteristics of retail exposures are geography and product specific, bespoke PD, LGD and EAD segmentation models are developed using empirical loss data for the respective exposures across the Bank. Where internal loss data is insufficient to provide robust risk estimates, the segmentation models may incorporate internal and/or external proxies. Where necessary, the model is augmented with appropriate margins of conservatism.

We use the Standardised Approach (SA) to calculate the credit risk-weighted exposure for the portfolios acquired from Citibank Bhd and will migrate to the AIRB upon regulatory approval from Bank Negara Malaysia.

Retail Probability of Default Models

Retail PD models are based on pools of homogeneous exposures segmented by a combination of application scores, behavioural scores and other risk drivers reflecting borrower, facility and delinquency characteristics. PD pools are calibrated through-the-cycle using at least five years of historical data covering a full economic cycle. For low default portfolios, internal and/or external proxies that are highly correlated with internal defaults are used to estimate the long-run average PD.

In general, the long-run observed default rates are largely lower than the PD estimates due to the model's calibration philosophy and the application of conservative overlays to account for model risk.

Retail Loss Given Default Models

Retail LGD are estimated using historical default data and the recovery experience from such defaulted cases. LGD models are segmented using material pre-default risk drivers such as facility and collateral characteristics.

LGD models are calibrated to reflect a portfolio's economic downturn experience. In addition, for residential mortgages, a LGD floor of 10 per cent is applied at the segment level.

Retail Exposure at Default Models

For revolving products, EAD is computed based on the current outstanding balance and the estimated potential drawdown of undrawn commitments, which is determined based on historical data. For closed-end products, the EAD is equal to the current outstanding balance. EAD models are generally segmented by material pre-default risk drivers such as facility type, limit and utilisation. EAD models are calibrated to reflect the portfolio long-run averages, except for portfolios that exhibit positive correlation between LGD and PD values, in which case, these portfolio's EAD models are calibrated to reflect their economic downturn conditions. The EAD values of such portfolios must be at least equal to the current outstanding balances.

Credit Risk (Continued)

Credit risk profile

The following tables provide the breakdown of exposures of the Bank using the respective internal rating scale for the models applicable to the asset classes as at 31 December 2025:

Exposures under the IRB Approach by Risk Grade

CRR band of non-retail exposures	1-9	10-16	17-20 (Default)
	RM'000	RM'000	RM'000
Non-retail exposures (EAD)			
Large corporate, SMEs and specialised lending (IPRE)	36,619,690	20,224,914	1,279,389
Bank	11,883,955	28,614	-
Insurance cos, securities firm and fund managers	190,763	37,593	-
Total non-retail exposures	**48,694,408**	**20,291,120**	**1,279,389**
Undrawn commitments			
Large corporate, SMEs and specialised lending (IPRE)	2,803,219	841,315	1,620
Bank	-	-	-
Insurance cos, securities firm and fund managers	-	-	-
Total undrawn commitments	**2,803,219**	**841,315**	**1,620**
Exposure weighted average LGD			
Large corporate, SMEs and specialised lending (IPRE)	43%	42%	42%
Bank	40%	45%	-
Insurance cos, securities firm and fund managers	45%	5%	-
Exposure weighted average risk weight			
Large corporate, SMEs and specialised lending (IPRE)	77%	121%	2%
Bank	13%	39%	-
Insurance cos, securities firm and fund managers	59%	12%	-

Specialised Lending exposures under the Supervisory Slotting Criteria

Supervisory Categories/ Risk Weights	Strong/ 50%	Strong/ 70%	Good/ 70%	Good/ 90%	Satisfactory/ 115%	Weak/ 250%	Default/ 0%
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Specialised Lending exposures (EAD)							
Project Finance	-	200,611	92,635	695,063	56,806	-	-
Risk Weighted Assets	-	140,428	64,844	625,556	65,327	-	-

Credit Risk (Continued)

Credit risk profile (Continued)

Exposures under the IRB Approach by PD range

PD range of retail exposures	0.00% to 1.00%	1.01% to 2.00%	2.01% to 99.99%	Default
	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)				
Residential mortgages	36,537,418	1,208,272	4,048,110	919,335
Qualifying revolving retail	6,880,774	1,019,096	2,023,008	64,770
Other retail	12,608,362	3,347,583	2,370,382	426,159
Total retail exposures	**56,026,554**	**5,574,951**	**8,441,500**	**1,410,264**
Undrawn commitments				
Residential mortgages	2,555,757	389,706	115,974	-
Qualifying revolving retail	4,132,572	434,641	809,140	-
Other retail	2,267,341	936,466	210,590	99
Total undrawn commitments	**8,955,670**	**1,760,813**	**1,135,704**	**99**
Exposure weighted average LGD				
Residential mortgages	13.04%	14.22%	13.52%	13.85%
Qualifying revolving retail	35.94%	42.79%	44.16%	51.54%
Other retail	16.64%	23.67%	31.85%	20.18%
Exposure weighted average risk weight				
Residential mortgages	7.63%	21.95%	50.45%	36.59%
Qualifying revolving retail	6.67%	17.63%	61.01%	37.00%
Other retail	12.48%	26.72%	49.70%	68.58%

The following tables provide the breakdown of exposures of the Bank using the respective internal rating scale for the models applicable to the asset classes as at 31 December 2024:

Exposures under the IRB Approach by Risk Grade

CRR band of non-retail exposures	1-9	10-16	17-20 (Default)
	RM'000	RM'000	RM'000
Non-retail exposures (EAD)			
Large corporate, SMEs and specialised lending (IPRE)	30,203,049	22,148,265	1,144,186
Bank	10,785,270	95,714	-
Insurance cos, securities firm and fund managers	758,758	-	-
Total non-retail exposures	**41,747,077**	**22,243,979**	**1,144,186**
Undrawn commitments			
Large corporate, SMEs and specialised lending (IPRE)	1,847,456	1,128,716	1,927
Bank	-	-	-
Insurance cos, securities firm and fund managers	-	-	-
Total undrawn commitments	**1,847,456**	**1,128,716**	**1,927**
Exposure weighted average LGD			
Large corporate, SMEs and specialised lending (IPRE)	43%	41%	43%
Bank	41%	45%	-
Insurance cos, securities firm and fund managers	42%	-	-
Exposure weighted average risk weight			
Large corporate, SMEs and specialised lending (IPRE)	67%	122%	1%
Bank	12%	38%	-
Insurance cos, securities firm and fund managers	29%	-	-

Credit Risk (Continued)

Credit risk profile (Continued)

Specialised Lending exposures under the Supervisory Slotting Criteria

Supervisory Categories/ Risk Weights	Strong/ 50%	Strong/ 70%	Good/ 70%	Good/ 90%	Satisfactory/ 115%	Weak/ 250%	Default/ 0%
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Specialised Lending exposures (EAD)							
Project Finance	-	215,381	655,022	380,394	62,195	-	-
Risk Weighted Assets	-	150,766	458,515	342,354	71,525	-	-

Exposures under the IRB Approach by PD range

PD range of retail exposures	0.00% to 1.00%	1.01% to 2.00%	2.01% to 99.99%	Default
	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)				
Residential mortgages	35,044,043	948,111	3,822,705	811,940
Qualifying revolving retail	5,060,267	820,929	2,124,565	43,513
Other retail	12,829,684	3,205,122	2,253,627	394,706
Total retail exposures	**52,933,994**	**4,974,162**	**8,200,897**	**1,250,159**
Undrawn commitments				
Residential mortgages	2,235,656	295,340	93,078	-
Qualifying revolving retail	2,892,827	318,014	991,650	-
Other retail	2,131,241	858,650	222,360	-
Total undrawn commitments	**7,259,724**	**1,472,004**	**1,307,088**	**-**
Exposure weighted average LGD				
Residential mortgages	13.03%	14.11%	13.67%	13.98%
Qualifying revolving retail	36.28%	42.83%	41.11%	51.53%
Other retail	16.49%	23.81%	28.52%	20.07%
Exposure weighted average risk weight				
Residential mortgages	7.60%	21.87%	49.65%	32.70%
Qualifying revolving retail	6.73%	17.76%	58.51%	263.20%
Other retail	12.33%	26.86%	43.98%	75.05%

Credit Risk (Continued)

Credit risk profile (Continued)

The following tables provide the breakdown of exposures of the Islamic Banking Window using the respective internal rating scale for the models applicable to the asset classes as at 31 December 2025:

Exposures under the IRB Approach by Risk Grade

CRR band of non-retail exposures	1-9	10-16	17-20 (Default)
	RM'000	RM'000	RM'000
Non-retail exposures (EAD)			
Large corporate, SMEs and specialised lending (IPRE)	3,040,599	1,278,485	37,927
Bank	2,879,268	577	-
Insurance/Takaful cos, securities firm and fund managers	-	-	-
Total non-retail exposures	**5,919,867**	**1,279,062**	**37,927**
Undrawn commitments			
Large corporate, SMEs and specialised lending (IPRE)	412,877	83,702	-
Bank	-	-	-
Insurance/Takaful cos, securities firm and fund managers	-	-	-
Total undrawn commitments	**412,877**	**83,702**	**-**
Exposure weighted average LGD			
Large corporate, SMEs and specialised lending (IPRE)	44%	43%	5%
Bank	24%	45%	-
Insurance/Takaful cos, securities firm and fund managers	-	-	-
Exposure weighted average risk weight			
Large corporate, SMEs and specialised lending (IPRE)	87%	131%	0%
Bank	64%	43%	-
Insurance/Takaful cos, securities firm and fund managers	-	-	-

Specialised Lending exposures under the Supervisory Slotting Criteria

Supervisory Categories/ Risk Weights	Strong/ 50%	Strong/ 70%	Good/ 70%	Good/ 90%	Satisfactory/ 115%	Weak/ 250%	Default/ 0%
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Specialised Financing exposures (EAD)							
Project Finance	-	-	-	-	-	-	-
Risk Weighted Assets	-	-	-	-	-	-	-

Credit Risk (Continued)

Credit risk profile (Continued)

Exposures under the IRB Approach by PD range

PD range of retail exposures	0.00% to 1.00%	1.01% to 2.00%	2.01% to 99.99%	Default
	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)				
Residential mortgages	3,452,160	140,346	630,355	129,293
Other retail	662,455	520,275	172,280	26,703
Total retail exposures	**4,114,615**	**660,621**	**802,635**	**155,996**
Undrawn commitments				
Residential mortgages	171,199	46,767	2,221	-
Other retail	52,767	84,770	4,687	-
Total undrawn commitments	**223,966**	**131,537**	**6,908**	**-**
Exposure weighted average LGD				
Residential mortgages	14.31%	14.67%	14.88%	14.98%
Other retail	16.46%	18.66%	20.68%	24.85%
Exposure weighted average risk weight				
Residential mortgages	11.91%	22.49%	59.25%	20.20%
Other retail	13.78%	20.87%	32.43%	220.25%

The following tables provide the breakdown of exposures of the Islamic Banking Window using the respective internal rating scale for the models applicable to the asset classes as at 31 December 2024:

Exposures under the IRB Approach by Risk Grade

CRR band of non-retail exposures	1-9	10-16	17-20 (Default)
	RM'000	RM'000	RM'000
Non-retail exposures (EAD)			
Large corporate, SMEs and specialised lending (IPRE)	1,804,553	1,430,583	27,238
Bank	1,956,661	-	-
Insurance/Takaful cos, securities firm and fund managers	401,012	-	-
Total non-retail exposures	**4,162,226**	**1,430,583**	**27,238**
Undrawn commitments			
Large corporate, SMEs and specialised lending (IPRE)	110,727	104,403	-
Bank	-	-	-
Insurance/Takaful cos, securities firm and fund managers	-	-	-
Total undrawn commitments	**110,727**	**104,403**	**-**
Exposure weighted average LGD			
Large corporate, SMEs and specialised lending (IPRE)	44%	44%	0%
Bank	26%	-	-
Insurance/Takaful cos, securities firm and fund managers	45%	-	-
Exposure weighted average risk weight			
Large corporate, SMEs and specialised lending (IPRE)	79%	160%	0%
Bank	6%	-	-
Insurance/Takaful cos, securities firm and fund managers	8%	-	-

Credit Risk (Continued)

Credit risk profile (Continued)

Specialised Lending exposures under the Supervisory Slotting Criteria

Supervisory Categories/ Risk Weights	Strong/ 50%	Strong/ 70%	Good/ 70%	Good/ 90%	Satisfactory/ 115%	Weak/ 250%	Default/ 0%
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Specialised Financing exposures (EAD)							
Project Finance	-	-	576,461	-	-	-	-
Risk Weighted Assets	-	-	403,522	-	-	-	-

Exposures under the IRB Approach by PD range

PD range of retail exposures	0.00% to 1.00%	1.01% to 2.00%	2.01% to 99.99%	Default
	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)				
Residential mortgages	3,280,707	77,562	593,963	125,054
Other retail	645,185	516,119	191,816	32,974
Total retail exposures	**3,925,892**	**593,681**	**785,779**	**158,028**
Undrawn commitments				
Residential mortgages	150,930	28,702	3,001	-
Other retail	30,181	46,019	2,815	-
Total undrawn commitments	**181,111**	**74,721**	**5,816**	**-**
Exposure weighted average LGD				
Residential mortgages	14.53%	14.67%	15.17%	15.27%
Other retail	19.40%	25.08%	24.43%	29.56%
Exposure weighted average risk weight				
Residential mortgages	11.82%	22.45%	59.74%	15.08%
Other retail	16.54%	27.95%	36.03%	252.45%

Credit Risk (Continued)

Retail exposures of the Bank under the IRB Approach by expected loss (EL) range as at 31 December 2025:

EL% range of retail exposures	0.0% to 1.0%	1.0% to 5.0%	5.0% to 10.0%	10.0% to 30.0%	30.0% to 100.0%
	RM'000	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)					
Residential mortgages	40,503,597	1,319,069	270,408	620,061	-
Qualifying revolving retail	8,019,121	1,529,148	143,750	178,105	117,524
Other retail	17,096,927	1,122,362	138,186	266,741	128,270
Total retail exposures	**65,619,645**	**3,970,579**	**552,344**	**1,064,907**	**245,794**
Undrawn commitments					
Residential mortgages	3,036,922	19,764	4,751	-	-
Qualifying revolving retail	4,672,409	642,756	9,375	48,013	3,800
Other retail	3,330,478	55,035	11,208	17,744	31
Total undrawn commitments	**11,039,809**	**717,555**	**25,334**	**65,757**	**3,831**
Exposure weighted average risk weight					
Residential mortgages	10.56%	70.06%	85.61%	0.00%	-
Qualifying revolving retail	8.26%	50.44%	113.83%	131.42%	55.91%
Other retail	16.46%	73.91%	94.71%	53.25%	17.21%

Retail exposures of the Bank under the IRB Approach by expected loss (EL) range as at 31 December 2024:

EL% range of retail exposures	0.0% to 1.0%	1.0% to 5.0%	5.0% to 10.0%	10.0% to 30.0%	30.0% to 100.0%
	RM'000	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)					
Residential mortgages	38,643,079	1,170,075	206,308	607,337	-
Qualifying revolving retail	6,057,031	1,515,894	127,524	254,180	94,645
Other retail	17,232,646	991,851	96,132	244,571	117,939
Total retail exposures	**61,932,756**	**3,677,820**	**429,964**	**1,106,088**	**212,584**
Undrawn commitments					
Residential mortgages	2,610,343	12,560	1,171	-	-
Qualifying revolving retail	3,373,038	714,711	8,825	101,196	4,721
Other retail	3,143,542	62,721	3,742	2,239	7
Total undrawn commitments	**9,126,923**	**789,992**	**13,738**	**103,435**	**4,728**
Exposure weighted average risk weight					
Residential mortgages	10.38%	70.04%	91.93%	2.50%	-
Qualifying revolving retail	8.58%	48.71%	110.85%	117.99%	152.51%
Other retail	16.32%	68.02%	79.52%	60.15%	15.81%

Credit Risk (Continued)

Retail exposures of the Islamic Banking Window under the IRB Approach by expected loss (EL) range as at 31 December 2025:

EL% range of retail exposures	0.0% to 1.0%	1.0% to 5.0%	5.0% to 10.0%	10.0% to 30.0%	30.0% to 100.0%
	RM'000	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)					
Residential mortgages	3,992,132	156,217	95,333	108,472	-
Other retail	1,298,152	57,282	14,831	11,448	-
Total retail exposures	**5,290,284**	**213,499**	**110,164**	**119,920**	**-**
Undrawn commitments					
Residential mortgages	219,194	989	4	-	-
Other retail	141,264	960	-	-	-
Total undrawn commitments	**360,458**	**1,949**	**4**	**-**	**-**
Exposure weighted average risk weight					
Residential mortgages	15.89%	76.63%	92.48%	-	-
Other retail	19.78%	53.75%	92.57%	115.47%	0.00%

Retail exposures of the Islamic Banking Window under the IRB Approach by expected loss (EL) range as at 31 December 2024:

EL% range of retail exposures	0.0% to 1.0%	1.0% to 5.0%	5.0% to 10.0%	10.0% to 30.0%	30.0% to 100.0%
	RM'000	RM'000	RM'000	RM'000	RM'000
Retail exposures (EAD)					
Residential mortgages	3,724,956	155,459	87,290	109,581	-
Other retail	1,291,316	71,183	8,104	13,564	1,927
Total retail exposures	**5,016,272**	**226,642**	**95,394**	**123,145**	**1,927**
Undrawn commitments					
Residential mortgages	181,361	1,244	28	-	-
Other retail	78,303	712	-	-	-
Total undrawn commitments	**259,664**	**1,956**	**28**	**-**	**-**
Exposure weighted average risk weight					
Residential mortgages	15.52%	77.45%	92.23%	-	-
Other retail	24.62%	72.04%	180.90%	133.89%	68.96%

Credit Risk (Continued)

Actual loss by asset class

Actual loss consists of impairment loss allowance and write-off posted to the Bank's income statement for the financial year ended 31 December 2025.

Comparison of actual loss and expected loss by asset class

Bank **RM'000**

Asset class	Actual loss (FYE 31 December 2025)	Expected loss (as at 31 December 2024)	Actual loss (FYE 31 December 2024)	Expected loss (as at 31 December 2023)
Corporate	96,733	1,203,233	17,008	1,195,926
Bank	-	2,563	-	2,457
Retail	168,299	496,757	147,475	503,156
Total	**265,032**	**1,702,554**	**164,483**	**1,701,540**

The actual loss in 2025 was lower than the expected loss computed as at 31 December 2024. The Bank continues to be proactive in its risk management approach to ensure that actual losses remain within the Bank's expectations.

Expected loss (EL) is the estimated credit loss from defaults over a one-year horizon. EL is the product of PD, LGD and EAD. A comparison of actual loss and expected loss provides an indication of the predictive power of the IRB models used by the Bank.

However, they are not directly comparable due to the following reasons:

i. EL as at 31 December 2024 is a measure of expected credit loss based on the credit exposure as at that date. On the other hand, impairment loss allowance and write-offs are accounting entries relating to a fluctuating portfolio over the course of the financial year. Moreover, write-offs may relate to defaults from prior years.
ii. EL is estimated based on non-default exposures only, while impairment loss allowance is an accounting estimate of likely loss from defaulted exposures. Write-offs are recorded on defaulted exposures when no further recovery is possible.

Islamic Banking Window **RM'000**

Asset class	Actual loss (FYE 31 December 2025)	Expected loss (as at 31 December 2024)	Actual loss (FYE 31 December 2024)	Expected loss (as at 31 December 2023)
Corporate	503	77,682	(12,157)	71,713
Bank	-	112	-	17
Retail	13,092	48,159	8,174	53,246
Total	**13,595**	**125,953**	**(3,983)**	**124,976**

Credit Risk (Continued)

Movements in the allowance for ECL and write-off on loans, advances and financing:

Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	835,616	941,366	656,292	2,433,274
Transferred to Stage 1	82,776	(72,853)	(9,923)	-
Transferred to Stage 2	(10,764)	36,564	(25,800)	-
Transferred to Stage 3	(2,006)	(47,550)	49,556	-
Net remeasurement of allowance	(58,319)	88,094	293,070	322,845
Allowance made	152,805	92,146	126,875	371,826
Maturity/settlement/repayment	(285,003)	(138,621)	(73,458)	(497,082)
Exchange differences	(3,263)	(2,743)	-	(6,006)
Net total	(123,774)	(44,963)	360,320	191,583
Amounts written-off	-	-	(267,999)	(267,999)
Other movements	-	-	(473)	(473)
At 31 December	711,842	896,403	748,140	2,356,385
2024				
At 1 January	357,818	1,405,055	754,736	2,517,609
Transferred to Stage 1	112,793	(90,296)	(22,497)	-
Transferred to Stage 2	(12,100)	39,254	(27,154)	-
Transferred to Stage 3	(1,496)	(29,551)	31,047	-
Net remeasurement of allowance	269,322	(266,162)	244,831	247,991
Allowance made	228,005	134,852	115,984	478,841
Maturity/settlement/repayment	(116,970)	(251,235)	(85,576)	(453,781)
Exchange differences	(1,756)	(551)	-	(2,307)
Net total	477,798	(463,689)	256,635	270,744
Amounts written-off	-	-	(355,002)	(355,002)
Other movements	-	-	(77)	(77)
At 31 December	835,616	941,366	656,292	2,433,274

Credit Risk (Continued)

Movements in the allowances for ECL and write-off on financing, advances and others for Islamic Banking Window:

Islamic Banking Window	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	24,951	58,977	31,608	115,536
Transferred to Stage 1	9,982	(8,529)	(1,453)	-
Transferred to Stage 2	(1,098)	6,523	(5,425)	-
Transferred to Stage 3	(131)	(5,037)	5,168	-
Net remeasurement of allowance	(8,617)	9,475	4,796	5,654
Allowance made	10,349	2,214	13,484	26,047
Maturity/settlement/repayment	(18,820)	(23,602)	(2,539)	(44,961)
Exchange differences	(67)	(69)	-	(136)
Net total	(8,402)	(19,025)	14,031	(13,396)
Amounts written-off	-	-	(9,277)	(9,277)
At 31 December	16,549	39,952	36,362	92,863
2024				
At 1 January	17,656	52,737	52,131	122,524
Transferred to Stage 1	7,052	(4,069)	(2,983)	-
Transferred to Stage 2	(910)	5,198	(4,288)	-
Transferred to Stage 3	(96)	(3,402)	3,498	-
Net remeasurement of allowance	(7,583)	10,168	8,130	10,715
Allowance made	13,231	29,074	8,042	50,347
Maturity/settlement/repayment	(4,385)	(30,729)	(19,796)	(54,910)
Exchange differences	(14)	-	-	(14)
Net total	7,295	6,240	(7,397)	6,138
Amounts written-off	-	-	(13,126)	(13,126)
At 31 December	24,951	58,977	31,608	115,536

Credit Risk (Continued)

Credit Risk Mitigation

Our potential credit losses are mitigated through a variety of instruments such as collaterals, derivatives, guarantees and netting arrangements. The Bank generally does not grant credit facilities solely on the basis of the collateral provided. All requests for credit facilities are assessed based on the credit standing, source of repayment and debt servicing ability of the borrower.

Collateral is taken whenever possible to mitigate the credit risk assumed. The value of the collateral is monitored periodically and the frequency of valuation is dependent on the type of collateral, its liquidity and the volatility of its market value. The collaterals are mostly in the form of properties, cash and marketable securities. The collaterals have to fulfill certain criteria (such as legal certainty across relevant jurisdictions) in order to be eligible for the Internal Ratings-based (IRB) Approach purposes. Policies and processes are in place to monitor collateral concentration. Haircuts that reflect the underlying nature, quality, volatility and liquidity of the collaterals would be applied to the market value of collaterals as appropriate.

When extending credit facilities to small and medium-sized enterprises (SMEs), the Bank often takes personal guarantees to secure the moral commitment of the principal shareholders and directors. For IRB Approach purposes, the Bank does not recognise personal guarantees as eligible credit risk protection. Corporate guarantees are often obtained when the borrower's credit worthiness is not sufficient to justify an extension of credit. To recognise the effects of guarantees under the Foundation Internal Ratings-based (FIRB) Approach, the Bank adopts the Probability of Default (PD) substitution approach whereby the PD of an eligible guarantor of an exposure is used for calculating the capital requirement.

Exposures arising from FX, derivatives and securities financing transactions are typically mitigated through agreements such as the International Swaps and Derivatives Association (ISDA) Master Agreements, the Credit Support Annex (CSA) and the Global Master Repurchase Agreements (GMRA). Such agreements help to minimise credit exposure in the event of a default by allowing the Bank to offset what is owed to a counterparty against what is due from that counterparty.

For IRB purpose, the Bank does not recognise ISDA netting. The Current Exposure Method is used to estimate its FX and derivative exposures on a gross basis.

Credit Risk (Continued)

Credit Risk Mitigation (Continued)

The following table presents the total exposures of the Bank which are covered by eligible credit risk mitigants as at 31 December 2025:

Exposure class	Exposures before CRM	Exposures covered by guarantees/ credit derivatives	Exposures covered by eligible financial collateral	Exposures covered by other eligible collateral
	RM'000	RM'000	RM'000	RM'000
Credit risk				
On-balance sheet exposures				
Sovereign/central banks	30,495,913	-	-	-
Public sector entities	530,643	530,643	-	-
Banks, DFIs and MDBs	4,639,081	-	1,163,264	-
Insurances cos, securities firms and fund managers	163,768	-	30,039	2,357
Corporates	45,917,481	1,476,695	1,284,029	2,849,305
Regulatory retail	24,988,937	-	14,644	-
Residential mortgages	42,977,945	-	-	-
Higher risk assets	213	-	-	-
Other assets	3,414,331	-	-	-
Specialised financing/investment	-	-	-	-
Securitisation exposure	107,584	107,584	-	-
Equity exposures	159,824	-	-	-
Defaulted exposures*	2,227,388	10,512	35,037	93,251
Total on-balance sheet exposures	**155,623,108**	**2,125,434**	**2,527,013**	**2,944,913**
Off-balance sheet exposures				
OTC derivatives	5,914,772	9,026	831	145
Credit derivatives	886	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	29,580,232	208,974	2,665,563	254,542
Defaulted exposures*	31,570	-	5,604	13,240
Total off-balance sheet exposures	**35,527,460**	**218,000**	**2,671,998**	**267,927**
Total on and off-balance sheet exposures	**191,150,568**	**2,343,434**	**5,199,011**	**3,212,840**

*Defaulted exposure is net off specific provision.

Credit Risk (Continued)

Credit Risk Mitigation (Continued)

The following table presents the total exposures of the Bank which are covered by eligible credit risk mitigants as at 31 December 2024:

Exposure class	Exposures before CRM	Exposures covered by guarantees/ credit derivatives	Exposures covered by eligible financial collateral	Exposures covered by other eligible collateral
	RM'000	RM'000	RM'000	RM'000
Credit risk				
On-balance sheet exposures				
Sovereign/central banks	26,333,604	-	-	-
Public sector entities	233,225	233,225	-	-
Banks, DFIs and MDBs	6,385,214	-	929,784	-
Insurances cos, securities firms and fund managers	690,110	-	42,148	-
Corporates	42,517,436	1,871,176	1,361,430	2,700,937
Regulatory retail	24,833,606	2,410	300	-
Residential mortgages	42,053,260	-	-	-
Higher risk assets	293	-	-	-
Other assets	3,299,223	-	-	-
Specialised financing/investment	-	-	-	-
Securitisation exposure	120,035	120,035	-	-
Equity exposures	174,161	-	-	-
Defaulted exposures*	2,052,636	9,049	27,276	39,593
Total on-balance sheet exposures	**148,692,803**	**2,235,895**	**2,360,938**	**2,740,530**
Off-balance sheet exposures				
OTC derivatives	4,164,155	1,820	1,054	15
Credit derivatives	819	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	26,316,629	175,660	2,933,812	267,526
Defaulted exposures*	14,201	-	1,029	273
Total off-balance sheet exposures	**30,495,804**	**177,480**	**2,935,895**	**267,814**
Total on and off-balance sheet exposures	**179,188,607**	**2,413,375**	**5,296,833**	**3,008,344**

*Defaulted exposure is net off specific provision.

Credit Risk (Continued)

Credit Risk Mitigation (Continued)

The following table presents the total exposures of the Islamic Banking Window which are covered by eligible credit risk mitigants as at 31 December 2025:

Exposure class	Exposures before CRM	Exposures covered by guarantees/ credit derivatives	Exposures covered by eligible financial collateral	Exposures covered by other eligible collateral
	RM'000	RM'000	RM'000	RM'000
Credit risk				
On-balance sheet exposures				
Sovereign/central banks	4,338,102	-	-	-
Banks, DFIs and MDBs	2,879,117	-	1,163,264	-
Insurances/Takaful cos, securities firms and fund managers	-	-	-	-
Corporates	3,213,825	78,945	48,197	300,139
Regulatory retail	1,212,786	-	-	-
Residential mortgages	4,055,011	-	-	-
Other assets	11,958	-	-	-
Specialised financing/investment	-	-	-	-
Defaulted exposures*	175,424	-	30,129	5,848
Total on-balance sheet exposures	**15,886,223**	**78,945**	**1,241,590**	**305,987**
Off-balance sheet exposures				
OTC derivatives	160,787	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	1,460,551	7,979	20,690	59
Defaulted exposures*	-	-	-	-
Total off-balance sheet exposures	**1,621,338**	**7,979**	**20,690**	**59**
Total on and off-balance sheet exposures	**17,507,561**	**86,924**	**1,262,280**	**306,046**

*Defaulted exposure is net off specific provision.

Credit Risk (Continued)

Credit Risk Mitigation (Continued)

The following table presents the total exposures of the Islamic Banking Window which are covered by eligible credit risk mitigants as at 31 December 2024:

Exposure class	Exposures before CRM	Exposures covered by guarantees/ credit derivatives	Exposures covered by eligible financial collateral	Exposures covered by other eligible collateral
	RM'000	RM'000	RM'000	RM'000
Credit risk				
On-balance sheet exposures				
Sovereign/central banks	3,554,883	-	-	-
Banks, DFIs and MDBs	1,945,161	-	829,734	-
Insurances/Takaful cos, securities firms and fund managers	401,012	-	-	-
Corporates	3,248,649	67,329	43,704	94,075
Regulatory retail	1,274,105	-	-	-
Residential mortgages	3,832,129	-	-	-
Other assets	14,352	-	-	-
Specialised financing/investment	-	-	-	-
Defaulted exposures*	164,676	-	27,238	-
Total on-balance sheet exposures	**14,434,967**	**67,329**	**900,676**	**94,075**
Off-balance sheet exposures				
OTC derivatives	174,902	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	827,472	7,979	20,647	60
Defaulted exposures*	-	-	-	-
Total off-balance sheet exposures	**1,002,374**	**7,979**	**20,647**	**60**
Total on and off-balance sheet exposures	**15,437,341**	**75,308**	**921,323**	**94,135**

*Defaulted exposure is net off specific provision.

Credit Risk (Continued)

Off-Balance Sheet Exposures And Counterparty Credit Risk

Counterparty Credit Risk

Unlike normal lending risk where the notional amount at risk can be determined with a high degree of certainty during the contractual period, counterparty credit risk exposure fluctuates with market variables. Counterparty credit risk is measured as the sum of current mark-to-market value and an appropriate add-on factor for potential future exposure (PFE). The PFE factor is an estimate of the maximum credit exposure over the remaining life of a foreign exchange (FX)/derivative transaction and is used for limit setting and internal risk management.

The Bank has also established policies and processes to manage wrong-way risk, i.e., where counterparty credit exposure is positively correlated with its default risk. Transactions that exhibit such characteristics are identified and reported to the senior management regularly. Separately, transactions with specific wrong-way risk are rejected at the underwriting stage.

Credit Exposures from Foreign Exchange and Derivatives

Pre-settlement limits for FX and derivative transactions are established using the PFE approach. This approach takes into consideration the transaction currency and tenor to address the credit risk exposures arising from adverse market movements.

Credit Risk (Continued)

Off-Balance Sheet Exposures And Counterparty Credit Risk (Continued)

Credit Exposures from Foreign Exchange and Derivatives (Continued)

The Off-Balance Sheet Exposures and their related counterparty credit risk of the Bank as at 31 December 2025:

RM'000

Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	RWA
Direct credit substitutes	5,174,709		4,895,375	3,263,251
Transaction related contingent items	7,718,396		3,750,641	2,119,712
Short Term Self Liquidating trade related contingencies	787,665		163,033	136,607
Forward Asset Purchases	46,462		46,462	46,462
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/ reverse repurchase and securities lending/borrowing transactions), and commitment to buy-back Islamic securities under Sell and Buy Back Agreement transactions	1,686,313		53,760	812
Foreign exchange related contracts				
One year or less	102,273,937	1,090,123	2,685,273	356,569
Over one year to five years	1,376,676	8,682	98,799	61,462
Over five years	-	-	-	-
Interest/Profit rate related contracts	71,019,685			
One year or less		405,541	691,485	76,495
Over one year to five years	112,740,991	705,272	3,630,149	870,203
Over five years	4,636,695	74,298	428,819	145,802
Equity related contracts				
One year or less	377,247	320	-	-
Over one year to five years	28,963	1,500	-	-
Over five years	-	-	-	-
Precious Metal Contracts				
One year or less	59,639	53	650	75
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Commodity contracts				
One year or less	325,805	14,825	47,406	14,232
Over one year to five years	307	-	37	16
Over five years	-	-	-	-
Credit Derivative Contracts				
One year or less	5,315	355	886	67
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	10,440,564		7,226,921	4,693,858
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	32,414,041		1,434,315	307,676
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	23,277,282		6,839,025	800,603
Unutilised credit card lines	17,838,898		3,562,727	2,680,055
Off-balance sheet for securitisation exposures	-		-	-
Total	392,229,589	2,300,969	35,555,763	15,573,957

Note: The derivative exposure clear via central clearing houses is reported under Exposure to Central Counterparties (CCP).

Credit Risk (Continued)

Off-Balance Sheet Exposures And Counterparty Credit Risk (Continued)

Credit Exposures from Foreign Exchange and Derivatives (Continued)

The Off-Balance Sheet Exposures and their related counterparty credit risk of the Bank as at 31 December 2024:

RM'000

Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	RWA
Direct credit substitutes	5,031,976		4,891,797	3,578,306
Transaction related contingent items	7,551,468		3,728,404	2,302,234
Short Term Self Liquidating trade related contingencies	653,296		136,913	97,968
Forward Asset Purchases	50,224		50,224	50,224
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions), and commitment to buy-back Islamic securities under Sell and Buy Back Agreement transactions	2,038,447		65,166	2,525
Foreign exchange related contracts				
One year or less	91,581,348	768,526	2,012,786	350,479
Over one year to five years	1,401,063	7,168	108,805	62,116
Over five years	116,313	-	11,631	11,648
Interest/Profit rate related contracts				
One year or less	47,837,909	149,535	284,156	35,518
Over one year to five years	68,596,860	334,673	2,364,585	625,003
Over five years	1,837,353	31,557	172,150	76,724
Equity related contracts				
One year or less	140,708	2,129	2,862	157
Over one year to five years	500	-	-	-
Over five years	-	-	-	-
Precious Metal Contracts				
One year or less	788,695	3,204	11,086	611
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Commodity contracts				
One year or less	597,906	8,130	49,242	16,710
Over one year to five years	9,341	57	-	-
Over five years	-	-	-	-
Credit Derivative Contracts				
One year or less	-	-	-	-
Over one year to five years	5,857	234	819	74
Over five years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	8,146,986		5,579,000	3,510,971
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	26,784,394		1,621,999	724,237
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	19,944,253		5,708,901	755,771
Unutilised credit card lines	18,619,656		3,718,622	2,796,940
Off-balance sheet for securitisation exposures	-		-	-
Total	301,734,553	1,305,213	30,519,148	14,998,216

Credit Risk (Continued)

Off-Balance Sheet Exposures And Counterparty Credit Risk (Continued)

Credit Exposures from Foreign Exchange and Derivatives (Continued)

The off-balance sheet exposures and their related counterparty credit risk of the Islamic Banking Window as at 31 December 2025:

RM'000

Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	RWA
Direct credit substitutes	473,607		473,607	240,013
Transaction related contingent items	255,767		127,972	103,820
Short Term Self Liquidating trade related contingencies	1,343		627	255
Foreign exchange related contracts with an original maturity up to one year				
One year or less	18,569,315	380,057	160,787	37,809
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Interest/Profit rate related contracts				
One year or less	73,126	987	577	246
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,180,853		840,766	629,224
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	1,165,340		17,002	3,898
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	1,395,837		-	-
Total	23,115,188	381,044	1,621,338	1,015,265

Credit Risk (Continued)

Off-Balance Sheet Exposures And Counterparty Credit Risk (Continued)

Credit Exposures from Foreign Exchange and Derivatives (Continued)

The off-balance sheet exposures and their related counterparty credit risk of the Islamic Banking Window as at 31 December 2024:

RM'000

Description	Principal Amount	Positive Fair Value of Derivative Contracts	Credit Equivalent Amount	RWA
Direct credit substitutes	179,009		179,009	285,556
Transaction related contingent items	214,053		107,029	171,575
Short Term Self Liquidating trade related contingencies	4,449		890	836
Foreign exchange related contracts with an original maturity up to one year				
One year or less	11,225,747	96,824	172,498	37,468
Over one year to five years	21,776	186	741	86
Over five years	-	-	-	-
Interest/Profit rate related contracts				
One year or less	890,000	149	663	96
Over one year to five years	100,000	92	1,000	463
Over five years	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	730,082		527,022	336,086
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	1,181,312		13,522	4,266
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	1,257,256		-	-
Total	15,803,684	97,251	1,002,374	836,432

Securitisation Exposure

All securitisation transactions entered into the Bank are subject to independent risk assessment and approval. The special purpose entities involved in these transactions are established and managed by third parties and are not controlled by the Bank. Our securitisation positions are recognised as financial assets.

Risk weights for securitisation exposures in the banking book are computed based on the BNM Capital Adequacy Framework (Basel II – Risk-Weighted Assets).

The table below represents the disclosure on securitisation exposure of the Bank under Standardised Approach as at 31 December 2025:

RM'000

Exposure class 2025	Exposure Value of Positions Purchased or Retained	Eligible CRM	Exposure after CRM	Exposures subject to deduction	Distribution of Exposures after CRM according to Applicable Risk Weights						Risk Weighted Assets
					Rated Securitisation Exposures				Unrated (Look Through)		
					20%	50%	100%	1250%	Average Risk Weight	Exposure Amount	
Traditional Securitisation (Banking book) Non-Originating Banking Institution											
On-Balance Sheet Most Senior	107,556	107,584	107,584	-	107,584	-	-	-	-	-	21,517
Total Exposures	107,556	107,584	107,584	-	107,584	-	-	-	-	-	21,517

Securitisation Exposure (Continued)

The table below represents the disclosure on securitisation exposure of the Bank under Standardised Approach as at 31 December 2024:

RM'000

Exposure class 2024	Exposure Value of Positions Purchased or Retained	Eligible CRM	Exposure after CRM	Exposures subject to deduction	Distribution of Exposures after CRM according to Applicable Risk Weights						Risk Weighted Assets
					Rated Securitisation Exposures				Unrated (Look Through)		
					20%	50%	100%	1250%	Average Risk Weight	Exposure Amount	
Traditional Securitisation (Banking book) Non-Originating Banking Institution											
On-Balance Sheet Most Senior	120,000	120,035	120,035	-	120,035	-	-	-	-	-	24,007
Total Exposures	120,000	120,035	120,035	-	120,035	-	-	-	-	-	24,007

Market Risk

Market risk refers to the risk of losses to the Bank from movements in the market rates or prices (such as changes in interest rates, foreign exchange rates, equity prices, commodity prices, credit spreads) of the underlying asset.

Market risk is governed by the ALCO, which meets monthly to review and provide direction on market risk matters. The Market Risk Management (MRM) and Balance Sheet Risk Management (BSRM) under Risk Management support the ALCO, RCC, RMC and the Board with independent assessment of the market risk profile of the Bank.

The Bank's market risk framework comprises market risk policies, practices and governance structure with appropriate delegation of authority and market risk limits. The Bank employs valuation methodologies that are in line with sound market practices. Valuation and risk models are validated independently. In addition, a Product/Service Programme process is in place to ensure that all risk issues, including market risk issues, are identified and adequately addressed prior to the launch of products and services.

The Bank's market risk policy establishes the criteria for determining the scope of positions that qualify for inclusion in the trading book. Positions are designated as trading when they are held with the intent of short-term resale, to benefit from actual or expected short-term price movements, or to hedge existing trading book exposures.

One of the Bank's main objectives in undertaking trading activities is to provide customer-centric products and services to support our customers' business and hedging needs. We continually review and enhance our management of derivatives risks to ensure that the complexities of the Bank's business are appropriately controlled.

Our overall market risk appetite is balanced with targeted revenue at the Bank and business unit levels and takes into account the capital position of the Bank. Market Risk appetite is established for all trading exposures and non-trading FX exposures within the Bank. This ensures that the Bank remains well-capitalised even under stress conditions. The risk appetite is translated into risk limits that are delegated to business units. These risk limits are set based on expected returns that are commensurate with the risks taken.

Market Risk (Continued)

The Bank currently adopts the Standardised Approach for the calculation of regulatory market risk capital but uses internal models to measure and control trading market risks. The financial products which are warehoused, measured and controlled using internal models include FX and FX option, plain vanilla interest rate contract and interest rate option, cross currency swap, government bond, quasi government bond, corporate bond, equities and equity options, commodity contract and commodity option.

The Bank estimates a daily Expected Shortfall (ES) within a 97.5 percent confidence interval over a one-day holding period, using the historical Value-at-Risk (VaR) simulation method, as a control for market risk. This method assumes observed historical market movements can be used to imply possible changes in market rates. ES is the average of the worse losses in the loss distribution, assuming that the losses exceed the specified percentile.

To complement the ES measure, stress and scenario tests are performed to identify the Bank's vulnerability to event risk. These tests serve to provide early warnings of plausible extreme losses to facilitate proactive management of market risks.

For backtesting purposes, the Bank uses daily VaR within a 99 percent confidence interval over a one-day holding period, based on historical simulation method. VaR uses the same loss distribution as ES. The backtesting process analyses whether the exceptions are due to model deficiencies or market volatility. All backtesting exceptions are tabled to the ALCO with recommended actions and resolutions. Backtesting results were within acceptable tolerance level in the year under review.

The Bank's daily ES as at end of December 2025 was RM11.344million.

	Year End RM'000	High RM'000	Low RM'000	Average RM'000
2025				
Interest/profit rate	4,466	6,907	1,547	3,803
Foreign exchange	521	1,584	58	239
Commodities	56	373	1	32
Option volatility	1,339	1,361	218	690
Equities	64	370	12	41
Credit	1,055	1,686	768	1,184
Total diversified ES[1]	11,344	13,056	4,449	8,516
2024				
Interest/profit rate	1,774	3,940	1,681	2,655
Foreign exchange	110	3,608	33	395
Commodities	4	115	0	8
Option volatility	970	1,649	712	1,152
Equities	40	247	2	23
Credit	1,149	1,461	553	932
Total diversified ES[1]	5,551	8,700	3,540	6,135

[1] Total ES includes jump-to-default risk component (refers to the risk that a financial instrument where the mark-to-market value directly depends on the credit quality of one or more reference underlying. Financial instrument may be exposed to the sudden price change due to the unexpected default event incurred by the reference underlying.)

Equities (Disclosures for Banking Book position)

The following table presents the equity exposures in the banking book.

These exposures were classified under available-for-sale (AFS) securities and were measured at fair value.

RM'000

Type of Equities	Bank			
	31 December 2025		31 December 2024	
	Exposures	RWA	Exposures	RWA
Publicly traded equity exposures *mainly acquired via loan restructuring activities	-	-	947	2,842
All other equity exposures *unquoted shares which are non-traded in the stock exchange	159,824	159,824	173,214	173,214
Total	159,824	159,824	174,161	176,056

	Bank	
	31 December 2025 RM'000	31 December 2024 RM'000
Realised (loss)/gains arising from sales and liquidation	798	-
Unrealised gains included in fair value reserve	147,741	162,081

As at 31 December 2025 and 31 December 2024, there were no equity exposure under Islamic Banking Window.

Interest Rate Risk/Rate of Return Risk in The Banking Book

Interest rate risk (IRRBB)/rate of return risk in the banking book (RORRBB) is defined as the risk of potential loss of capital or reduction in earnings due to changes in the interest/profit rate environment.

We strive to meet customers' demands and preferences for products with various interest/profit rate structures and maturities. Mismatches in repricing and other characteristics of assets and liabilities give rise to sensitivity to interest/profit rate movements. As interest/profit rates and yield curves change over time, these mismatches may result in a change in the Bank's economic net worth and/or a decline in earnings. The primary objective of managing IRRBB/RORRBB is to protect and to enhance capital or economic net worth through adequate, stable and reliable growth in net interest/finance earnings under a broad range of possible economic conditions.

The ALCO oversees the effectiveness of the interest/profit rate risk management structure including endorsement of policies, limits and controls. Balance Sheet Risk Management under Risk Management supports the ALCO in monitoring the interest/profit rate risk profile of the banking book. IRRBB/RORRBB is mainly managed by shaping the desired risk exposure and tenor profile of the banking book taking into consideration the overall balance sheet position and market outlook. Behavioural models used are independently validated and governed by approved policies. The management and mitigation of IRRBB/RORRBB through hedging are managed through EXCO-approved product mandates with specified currencies, tenors and limits to ensure that the risk management and hedging activities operate within an approved delegation of authority structure. Derivatives used for hedging banking book positions are designated as hedging instruments where the qualifying criteria for hedge accounting are met. Derivatives not designated in an effective hedge accounting relationship are accounted for at fair value through profit or loss.

Our banking book interest/profit rate exposure is quantified on a monthly basis using dynamic simulation techniques. We employ a holistic approach towards balance sheet risk management, using an in-house enterprise risk management system to integrate liquidity risk and IRRBB/RORRBB into a single platform to facilitate the Bank's reporting across entities in a timely manner.

Interest/profit rate risk varies with different repricing periods, currencies, embedded options and interest/profit rate basis. Embedded options may be in the form of loan prepayment and time deposit early withdrawal. In Economic Value of Equity (EVE) sensitivity simulations, we compute the present value for repricing cash flows, with a focus on changes in EVE under different interest rate scenarios. This economic perspective measures interest rate risks across the full maturity profile of the balance sheet, including off-balance sheet items. We estimate the potential effects of interest/profit rate changes on Net Interest/finance Income (NII/NFI) by simulating the possible future course of interest/profit rates and expected changes in business activities over time. Mismatches over a longer tenor would result in greater changes in EVE than similar positions in the shorter tenor while mismatches over a shorter tenor would have a greater impact on NII/NFI.

Interest rate scenarios used in simulations include the six standard scenarios prescribed by the Basel Committee on Banking Supervision as well as internal scenarios covering historical interest rate movements and hypothetical scenarios. These scenarios cover changes in the shape of the yield curve, including steepener and flattener, parallel shift, as well as short rate up and down scenarios.

Stress tests are also performed regularly to determine the adequacy of capital in meeting the impact of extreme interest/profit rate movements on the balance sheet. Such tests are also performed to provide early warnings of potential extreme losses, facilitating the proactive management of interest/profit rate risks in an environment of rapid financial market changes.

The risks arising from the trading book, such as interest/profit rates, foreign exchange rates and equity prices are managed and controlled under the market risk framework.

Interest Rate Risk/Rate of Return Risk in The Banking Book (Continued)

Interest/Profit Rate Sensitivity Analysis - Banking Book

The table below shows the results of 100 and 200 basis points parallel interest/profit rate shocks to EVE and NII/NFI. The repricing profile of loans is generally based on the earliest possible repricing dates. Interest/profit rate flooring effects are taken into consideration. Loan prepayment and time deposit early withdrawal rates are estimated based on past statistics and trends where possible and material. The average repricing maturity of core non-maturity deposits is determined through empirical models.

Economic Value of Equity (EVE)

	Increase/ (Decrease) in basis points	Sensitivity of EVE	Increase/ (Decrease) in basis points	Sensitivity of EVE
31 December 2025		**RM'000**		**RM'000**
Currency				
Total	**+200/(200)**	**(717,921)/1,194,758**	**+100/(100)**	**(409,376)/527,837**
MYR	+200/(200)	(649,331)/1,108,565	+100/(100)	(373,058)/487,125
USD	+200/(200)	(66,168)/83,774	+100/(100)	(35,108)/39,502
31 December 2024				
Currency				
Total	**+200/(200)**	**(532,572)/1,068,984**	**+100/(100)**	**(320,329)/453,019**
MYR	+200/(200)	(635,611)/1,182,151	+100/(100)	(373,063)/508,283
USD	+200/(200)	104,359/(114,461)	+100/(100)	53,390/(55,914)

Net Interest/Finance Income (NII/NFI)

	Increase/ (Decrease) in basis points	Sensitivity of NII/NFI	Increase/ (Decrease) in basis points	Sensitivity of NII/NFI
31 December 2025		**RM'000**		**RM'000**
Currency				
Total	**+200/(200)**	**419,587/(509,560)**	**+100/(100)**	**209,863/(235,544)**
MYR	+200/(200)	531,187/(607,725)	+100/(100)	265,594/(284,876)
USD	+200/(200)	(97,685)/92,249	+100/(100)	(48,830)/48,733
31 December 2024				
Currency				
Total	**+200/(200)**	**368,378/(457,612)**	**+100/(100)**	**184,212/(209,120)**
MYR	+200/(200)	483,887/(562,127)	+100/(100)	241,944/(263,737)
USD	+200/(200)	(75,798)/75,626	+100/(100)	(37,897)/37,872

Liquidity Risk

Liquidity risk is the risk that arises from the Bank's inability to meet its obligations, or to fund increases in assets as they fall due. Liquidity is managed in a manner that addresses known as well as unanticipated cash funding needs. The Bank maintains sufficient liquidity to fund its day-to-day operations, to meet deposit withdrawals and loan/financing disbursements, to participate in new investments, and to repay borrowings.

Liquidity risk is managed in accordance with a framework of policies, controls and limits approved by the Board. These policies, controls and limits enable the Bank to monitor and manage liquidity risk to ensure that sufficient sources of funds are available over a range of market conditions. This is done by minimising excessive funding concentrations by diversifying the sources and terms of funding and maintaining a portfolio of high quality and marketable debt securities.

The Bank takes a conservative stance on its liquidity management by continuing to gather core deposits, ensuring that liquidity limits are strictly adhered to and that liquid assets are adequate to meet potential cash shortfall.

The distribution of deposits is actively managed to ensure a balance between cost effectiveness, continued accessibility to funds, and diversification of funding sources. Important factors in ensuring liquidity are competitive pricing, proactive management of the Bank's core deposits and the maintenance of customer confidence.

Our liquidity risk management is aligned with the regulatory liquidity risk management framework and is measured and managed on a projected cash flow basis. The Bank's liquidity risk is monitored under business-as-usual and stress scenarios. Cash flow mismatch limits are established to limit the Bank's liquidity exposure. The Bank also employs liquidity early warning indicators and trigger points to signal possible contingency situations.

The Bank's liquidity ratios, Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), are above the regulatory requirement.

Contingency funding plans are in place to identify potential liquidity crisis using a series of warning indicators. Crisis management processes and various strategies including funding and communication plans have been developed to minimise the impact of any liquidity crunch.

The policy of the Bank is to be self-sufficient in its funding capabilities with readily available liquidity support from the parent bank.

The table in Note 42 to the financial statements provides the maturity mismatch analysis of the Bank's near and long-term time bands relating to the cash inflows and outflows based on contractual maturity arising from the Bank's activities.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Operational risk includes banking operations risk, technology risk, fraud risk[1], legal risk, regulatory compliance risk (including Shariah non-compliance (SNC)[2] risk), reputational risk, third party and outsourcing risk, and technology risk.

The Bank's primary objective is to foster a sound reputation and operating environment. Operational risk is managed through a framework of policies and procedures to help business and support units properly identify, assess, monitor, mitigate and report their risks. The ORMC meets monthly to provide oversight of operational risk matters across the Bank.

The Operational Risk Governance structure adopts the Three Lines Model. The business and support units, as the First Line, are responsible for establishing a robust control environment as part of their day-to-day operations. Each business and support unit is responsible for implementing the operational risk framework and policies, embedding appropriate internal controls into processes and maintaining business resilience for key activities.

The Operational Risk Management (ORM) (including Shariah Risk Management) under Risk Management, as part of the Second Line, provides overarching governance of operational risk through relevant frameworks, policies, programmes and systems. It also monitors operational risk incidents, key risk and control self-assessment results, outsourcing and third party non-outsourcing matters, key operational risk indicator breaches, product and service programme matters and operational risks self-identified by the First Line. Any material risks are then reported to the ORMC and the Board to ensure they are promptly escalated and addressed. SNC risks are reported and deliberated at the Shariah Committee.

Internal Audit, as the Third Line, provides an independent and objective assessment on the overall effectiveness of the risk governance framework and internal controls through periodic audit reviews.

The Bank has an established business continuity and crisis management programme which ensures prompt recovery of critical business and support units should there be unforeseen events or business disruptions. Scenario exercises are conducted to test the effectiveness of business continuity plans and crisis management protocol. An annual attestation is provided to the Board on the state of business continuity readiness of the Bank.

Our Insurance programme covers crime and civil liability, cyber liability, property damage, terrorism, public liability, as well as directors' and officers' liability. The programme reduces operational losses through adequate insurance coverage.

Effective 1 January 2025, the Bank adopts the Standardised Approach for the calculation of operational risk capital, in accordance with the Capital Adequacy Framework (Operational Risk) issued in December 2023.

The subject-specific key risks that we focus on include but not limited to the risks discussed below.

Banking Operations Risk

Any potential adverse impact, arising from inadequate or failed internal processes, people and systems or from external events, on the proper fulfillment of the Bank's services and obligations to customers as well as proper recording of information including financial transactions.

Technology Risk

Technology risk is defined as any potential adverse outcome, damage, loss, violation, failure or disruption arising from the use of or reliance on information and communication technologies. The governance of technology risk rests with the ORMC, which facilitates a holistic oversight of operational risk matters across the Bank. Our Technology Risk Management Framework ensures that technology and cyber risks are managed in a systematic and consistent manner. The scope of technology risk management covers many aspects, including technology asset management, technology resiliency and the service continuity aspects of business continuity management, cybersecurity management and information security management.

[1] Fraud risk which has pertinent operational or reputational risk elements.

[2] SNC risk arises from the Bank's failure to comply with the Shariah rules and principles determined by the Bank's Shariah Committee or Bank Negara Malaysia's (BNM) Shariah Advisory Council.

Operational Risk (Continued)

Technology Risk (Continued)

A dedicated Technology Risk Management (TRM) function within ORM, as part of the Second Line, drives the governance and oversight for technology risk management across the Bank. TRM works closely with business and support units, including the technology and information security teams, to oversee, review and strengthen their practices in technology risk management. We adopt a risk-based approach in assessing and managing technology and cyber risks. The ORMC, RMC and Board are briefed regularly on technology risk appetite and technology risk matters.

Regulatory Compliance Risk (including Shariah non-compliance risk)

Regulatory compliance risk refers to the risk of financial loss, damage to reputation or franchise value of the Bank when it fails to comply with laws, regulations, rules, standards or industry codes of conduct applicable to the Bank's business activities and operations. A change in laws and regulations can also increase the cost of operations and the cost of capital for the Bank, thereby impacting the Bank's earnings or returns. This risk is identified, monitored and managed through a structured governance framework of compliance policies, procedures and guidelines. The framework also manages the risk of regulatory breaches relating to sanctions, anti-money laundering and countering the financing of terrorism. Regulatory Compliance Risk includes Shariah non-compliance risk and it is the risk that arises from the Bank's failure to comply with the Shariah rules and principles determined by the Shariah Committee of the Bank or Shariah Advisory Council of Bank Negara Malaysia.

Legal Risk

Legal risk arises from unenforceable, unfavourable, defective or unintended contracts or transactions, lawsuits or claims, developments in laws and regulations, or non-compliance with applicable laws and regulations. Business and support units work with both internal and external legal counsels to ensure that legal risks are effectively managed.

Reputational Risk

Reputational risk is the risk of adverse impact on earnings, liquidity or capital arising from negative stakeholder perception or opinion of the Bank's business practices, activities and financial condition. The Bank recognises the impact of reputational risk and has established a policy which sets the guiding principles for risk identification, monitoring, reporting and mitigation of risk exposure and communication with our stakeholders. There are also policies relating to media communication and social media to protect the Bank's reputation.

Third-Party and Outsourcing Risk

Third-party risk, including non-outsourcing risk and outsourcing risk is the risk of adverse financial, operational, reputational, legal and compliance impact arising from the failure of a service provider to provide the service or to comply with legal and regulatory requirements, or a service provider's breaches of security. The Bank manages this risk through the Third-Party and Outsourcing Risk Management Framework, policy, procedures and guidelines, supported by outsourcing and third-party risk management module in the Governance, Risk and Compliance (GRC) system.

Conduct risk

Conduct risk is the risk of improper employee behaviour or action that results in unfair stakeholder outcomes, negative impact on market integrity and other issues that damage the reputation of the Bank. Conduct risk is managed through a multi-faceted approach leveraging the frameworks, policies and procedures on operational risk management, whistle blowing, employee discipline, individual accountability, code of conduct, remuneration, fair dealing and anti-financial crime. The corporate governance oversight of conduct risk is provided by the ORMC, RMC and Board.

Financial Crime Risk

Financial crime risk is defined as the risk of regulatory sanctions, financial loss, or damage to the Bank's reputation and franchise value that may arise when the Bank fails to comply with anti-financial crime laws, regulations, rules, standards, or codes of conduct (established by industry associations) that are applicable to the Bank's business activities and operations. Financial crime risk types include money laundering, terrorism financing, internal fraud, mules and scams, bribery and corruption, and all other illegal or unethical dealings.

Money laundering, terrorism financing and sanctions risks collectively relates to the risk of being involved in or abetting money laundering activities and violating sanctions laws and regulations that will damage the Bank's reputation as an established organisation with strong and robust anti-money laundering/countering the financing of terrorism and sanctions regime. The coverage of money laundering risk extends to its predicate offences, such as tax evasion.

Financial Crime Risk (Continued)

Internal Fraud risk is defined as the risk of any intentional act or attempt by the Bank's employee(s) to misrepresent, deceive, or conceal for a personal or business gain, or to avoid a disadvantage. Internal Fraud is not restricted to monetary or material benefits.

Mules risk refers to the risk of bank accounts being abused by customers, knowingly or unknowingly, to facilitate transfers or movements of money illegally acquired (e.g., scam proceeds) on behalf of someone else, while scams risk refers to external fraud risk where customers are deceitfully or criminally misled through dishonest schemes, leading them to make financial transactions, or give away personal details or data ultimately resulting in the theft of money in their accounts.

Bribery occurs when an individual (directly or indirectly) promises, offers, gives, or seeks, accepts, or receives a payment or favour (monetary or otherwise) to improperly influence a business outcome or to confer an unfair business advantage. Bribery and corruption risks may arise in the course of activities, e.g., interaction with public officials and state-owned or state-controlled entities, provision or acceptance of gifts and entertainment, engagement of third parties, hiring, donations and sponsorships.

We do not engage in any activity involving sanctioned individuals, entities, countries or territories, except to the extent permissible by sanctions laws and conducted within UOBM's management tolerance. We conduct our business activities in full compliance with all applicable anti financial crime laws and regulations, including the sanctions laws, anti-bribery and corruption acts and regulations in the jurisdictions in which our Bank operates.

Environmental, Social and Governance Risk

Environmental, Social and Governance (ESG) risk includes both financial risks (i.e., credit risk, market risk and liquidity risk) and non-financial risks (e.g., operational risk and reputation damage) arising from ESG issues such as climate change. While a key component of ESG risk arises indirectly from the financial services we provide to our customers, it can also result directly from our own operations. Our Group Sustainability Committee identifies and reviews ESG factors material to the UOB Group, and ensures that sustainability factors are considered in all aspects of our operations (including day-to-day decision-making processes). The specific risk associated with each factor is monitored and managed in accordance with the respective frameworks, policies or guidelines.

Responsible Financing Policy

The Bank has established, since 2016, a Responsible Financing Policy which is approved by the Board. The policy is embedded within our Corporate Credit Policy so that ESG considerations are integrated into our credit evaluation and approval processes. The Credit Approval function is responsible for ensuring that ESG risks are adequately addressed and, where necessary, customers or projects with elevated ESG risks are escalated for further review prior to approval. Consistent with our overall risk management approach, ESG risks are managed through the Bank's Three Lines Model control structure.

Our Responsible Financing Policy applies to all borrowing customers of Wholesale Banking and the Bank's capital market underwriting activities. Account officers are required to conduct due diligence on all new and existing borrowers during the onboarding process and annual credit review. Under the policy, customers are assessed for material ESG risks, including alignment with the Bank's responsible financing exclusion list, as well as their capacity for, commitment to and track record in ESG risk management.

We have implemented sector-specific Credit Acceptance Guidelines and have responsible financing checklists in place to help our account officers identify, assess and review ESG risks. Borrowers that fall within the following eight ESG-sensitive industries are subject to enhanced due diligence in accordance with sector-specific guidelines developed by the Bank.

• Agriculture	• Forestry
• Metals and Mining	• Defence
• Chemical	• Energy
• Infrastructure	• Waste

As part of our ESG risk classification approach, borrowers are classified as either 'high', 'medium' or 'low' ESG risk. This is based on the level of ESG risk inherent in their business operations and the residual ESG risk after taking into consideration their mitigation measures, as well as their ESG risk management capacity.

ESG Risk (Continued)

Responsible Financing Policy (Continued)

We notify our customers of their need to adhere to our Responsible Financing Policy and seek their representations and warranties to ensure compliance, including with the host country's ESG regulations. We also encourage them to follow established industry standards, to obtain relevant certifications and to adopt best practices pertaining to, for example, proper water and waste management, greenhouse gas emissions mitigation and occupational health and safety management. The policy references international standards and conventions such as the Roundtable on Sustainable Palm Oil, Forest Stewardship Council, World Heritage Convention, and best industry practices provided by the World Bank and the International Finance Corporation.

Our Responsible Financing Policy prohibits our financing of companies:

- where their operations or projects threaten the outstanding universal value or special characteristics of UNESCO World Heritage Sites, RAMSAR Wetlands, forests of high conservation value (HCV), or sites with critical natural habitats;
- without measures in place to manage or to mitigate the risk of air, soil and water pollution
- involved in and/or convicted for illegal logging operations and/or land clearance by open burning;
- involved in and/or convicted for the trade of endangered species as defined by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- involved in and/or convicted for animal cruelty;
- involved in the exploitation of labour (including forced labour and child labour);
- in violation of the rights of local communities or without measures in place to avoid or to manage adverse impact on local communities;
- for the development of nuclear power plants;
- for the purpose of asbestos mining;
- in the thermal coal mining sector, other than the approved anchor clients and their subsidiaries, affiliates, suppliers, contractor and traders;
- for the development of new coal-fired power plants;
- for the development of greenfield thermal coal mines or thermal coal mine expansion projects;
- for the development of greenfield and/or immature palm oil plantations;
- involved in deforestation in their palm oil plantation operations, i.e., conversion of high conservation values (HCVs) forests, high carbon stock (HCS) forests and primary forests;
- for their development of upstream O&G projects approved after 2022;
- involved in fishing with the use of explosives or cyanide; and
- involved in conducting illegal unreported and unregulated (IUU) fishing or using vessels known to have conducted IUU fishing.

These financing prohibitions are cross-cutting commitments applicable to all new and existing customers and help to bolster our efforts in fostering sustainable development through responsible financing.

Equator Principles

To strengthen our processes and practices on environmental and social risk management further, UOB Group formally adopted the Equator Principles (EP) in 2021. The EP is a risk management framework, adopted by financial institutions, for determining, assessing and managing environmental and social risks in projects and is primarily intended to provide a minimum standard for due diligence and monitoring.

EP requirements have been incorporated into our Responsible Financing Policy for bank-wide implementation. Dedicated EP Implementation Guidelines and toolkits have been developed to provide detailed guidance for transaction screening, categorisation, as well as environmental and social risk assessment. The In-country Credit Committee is required to review and approve high-risk projects, i.e. Category A projects, as well as appropriate Category B projects under the definition of EP.

In addition, dedicated training programmes in the form of online webinars and e-learning courses have been rolled out to relevant employees to strengthen the Bank's capabilities in EP.

Monitoring

We engage our borrowing customers proactively and continually work with them to improve their ESG practices and performance. In addition, we monitor our borrowers on an ongoing basis for any adverse ESG-related news. Borrowers with any known material ESG-related incidents will trigger an immediate review to ensure ESG risks will be addressed and managed promptly and appropriately. We require our borrowers to rectify any breaches of our policy within a reasonable timeframe with account officers responsible for monitoring their progress. However, if we deem our borrowers unable or unwilling to commit to adequately managing the potential adverse impact from ESG issues on their operations, we are prepared to review and to reassess the relationship, or to reject the transaction.

ESG Risk (Continued)

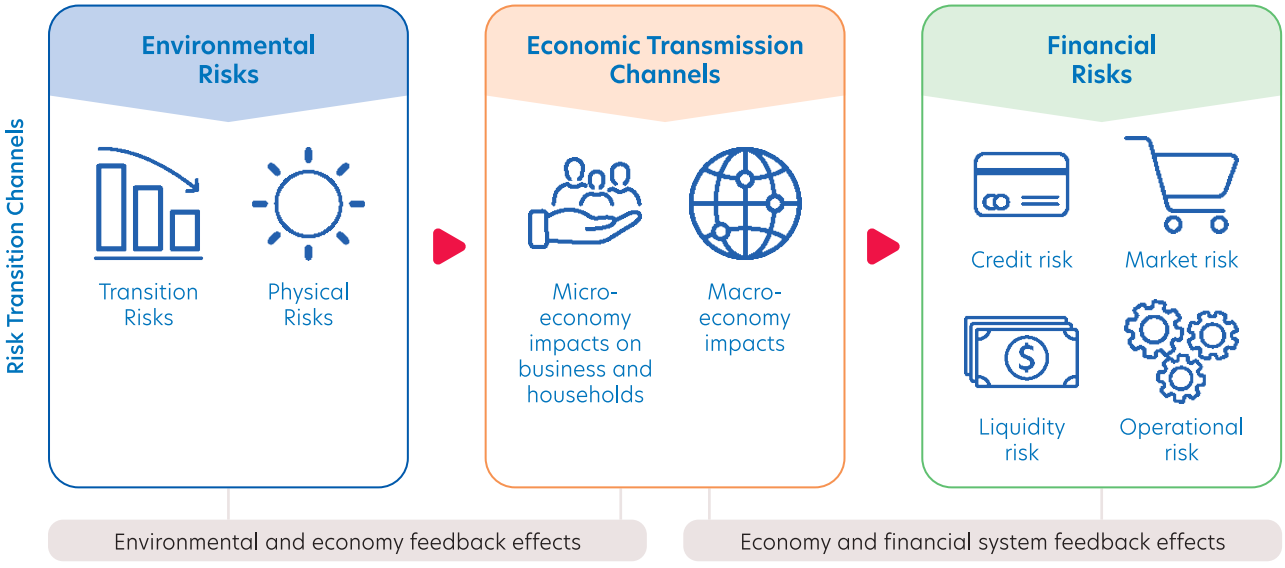
Training and Capacity Building

Strengthening our internal capacity on ESG risk management remains a key focus as ESG risk becomes increasingly mainstream. All our employees in relevant roles are trained on our Responsible Financing Policy and processes.

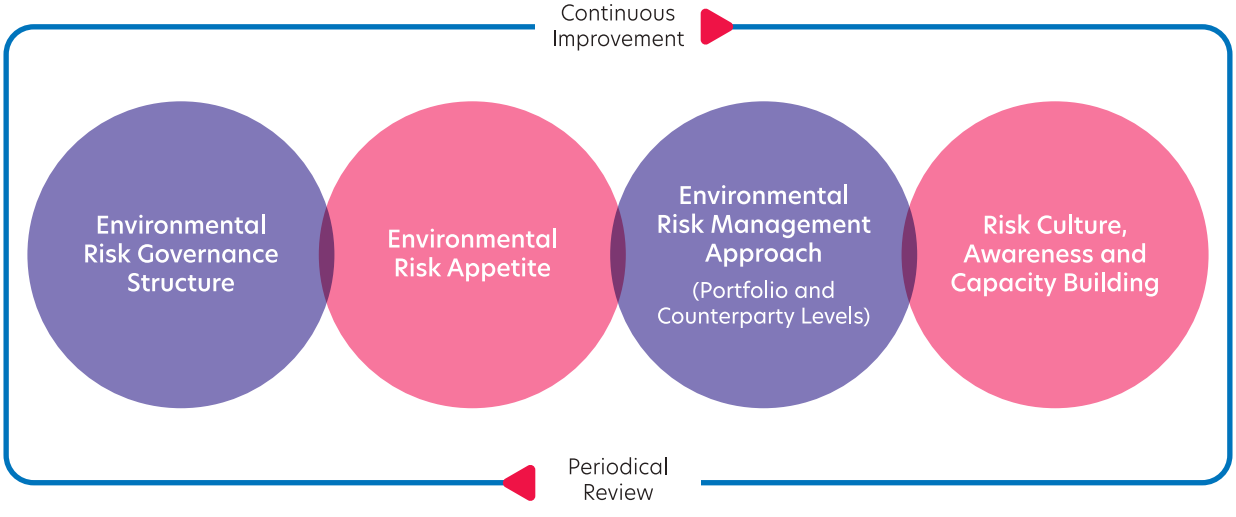
Environmental Risk Management Framework

In line with our Group, UOBM has established an Environmental Risk Management Framework, approved by the Board. This framework, with a key focus on climate risk management, covers governance, policy and control processes in relation to the management of environmental risk at both portfolio and counterparty levels in the Bank's lending and capital market underwriting activities.

The framework is also aligned with the principles set out in the BNM Climate Risk Management and Scenario Analysis Policy.



Key Aspects of UOBM Environmental Risk Management Framework



ESG Risk (Continued)

Environmental Risk Management Framework (Continued)

The Board provides oversight of environmental risk including climate change-related issues with the support from the RMC. The roles and responsibilities of the Board under the governance structure include:

- review and approval of risk management frameworks and policies;
- review and approval of risk appetite statement; and
- review and determine climate related issues that need to be addressed through the Bank's strategies and business plans.

The EXCO supports the Board in the management of matters related to environmental risk. The EXCO reviews climate change-related issues and provides strategic direction including the allocation of resources for the management of the Bank's climate-related issues.

The RCC, MC and CMC support the EXCO in the review of sustainability related matters, frameworks, policies, risk appetite statement, stress tests and scenario analysis for the management of climate risk. The Country Sustainability Committee (CSC) identifies and review environmental related risks and opportunities that have the potential to affect or influence the Bank's operations.

The Bank will continue to step up our efforts and capabilities in the areas of risk management, scenario analysis, stress testing and disclosure requirements. This will also include reviewing our business strategies, taking into consideration our parent bank's net zero commitment and promote a just and orderly transition that continues to support economic growth of the country.

Climate Risks

Climate change is one of the most complex and defining issues of our time and there is a critical need for the world to reach 'net zero' by 2050 in alignment with the Paris Agreement and the 1.5°C trajectory outlined by the Intergovernmental Panel on Climate Change. As a leading financial institution in Malaysia, we are committed to strengthening our portfolio resilience and to be a positive force in the fight against climate change.

Climate Risk Management

Climate risks are complex and transverse in nature, and may potentially translate into known risk types for banks including credit risk, market risk, liquidity risk and operational risk.

Climate risk is identified, assessed, managed and monitored through our Environmental Risk Management Framework, which is approved by the Board. UOBM Business Continuity Management (BCM) Policy and Guidelines further integrate BCM into day-to-day operations and risk management, including coverage of climate-related risks.

Restricted Specific Investment Account and Shariah Governance

Restricted Specific Investment Account (RSIA)

As at 31 December 2025, United Overseas Bank (Malaysia) Berhad's Islamic Banking Window did not maintain any RSIA arrangements with third parties.

Shariah Governance

The Statement of Shariah Governance is disclosed in United Overseas Bank (Malaysia) Berhad's Annual Report under the section "Corporate Governance".

For the financial year ended 31 December 2025, one (1) SNC event was confirmed, with SNC income amounting to RM1,146.60. The amount has since been fully refunded to the affected customers.

Climate-Related Disclosures

Sustainability at UOB Malaysia

At UOB Malaysia, our sustainability strategy is anchored in our corporate purpose and integrated into the way we pursue growth – responsibly and sustainably. Our strategy takes into account the influence and impact our decisions and actions may have on our stakeholders and the environment. It also ensures that we remain pragmatic and progressive through managing environmental, social and governance (ESG) risks and opportunities in line with market realities.

We believe in sustainable development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland Commission, 1987). This entails a balanced approach that integrates economic growth, social inclusion and environmental protection to create sustainable, long-term value and resilience, in addition to complying with the ESG-related laws and regulations.



Sustainability at UOB Malaysia (Continued)

UOB's Sustainability Strategy:

Our corporate purpose

Building the future of ASEAN

Group Sustainability Framework

Guiding management of sustainability-related risks and opportunities to support decision-making

Our sustainability strategy pillars and objectives

Creating sustainable value for our stakeholders

Drive Growth Sustainably

- Contribute economically to the progress of our communities
- Embed environmental, social and governance risk into our approach to risk management
- Integrate social and environmental considerations into our credit evaluation and approval processes
- Adopt and promote climate-resilient practices to support our customers in their transition to a low carbon economy
- Develop and provide sustainable financing and sustainable investment solutions

Keep Customers at the Centre

- Protect customer data and privacy through secure and robust systems and practices
- Ensure fair dealing
- Create intuitive and impactful customer experiences
- Make banking simpler, smarter and safer through ethical use of technology and data
- Make banking more accessible and inclusive
- Support businesses across all stages of growth

Develop Professionals of Principle

- Develop high-performing teams and future-focused individuals
- Promote work-life harmony
- Encourage volunteerism and advocacy for social and environmental causes
- Ensure employee engagement and satisfaction
- Ensure workplace health, safety and well-being
- Embrace diverse abilities and strengths

Uphold Corporate Responsibility

- Maintain highest standards of governance and risk culture
- Ensure regulatory compliance
- Protect the financial system against abuse
- Incorporate sustainability principles into our procurement practices
- Manage direct environmental impact and encourage environmental stewardship
- Champion social development in art, children and education

Refining our sustainability strategy continually through stakeholder engagement

Our guiding principles

- Forge a sustainable future with our customers
- Aligned to business strategy and stakeholder interests
- Pragmatic and progressive
- Regulatory compliance as the baseline
- Values-driven

Rooted in our time-tested values

Our values

- Honourable
- Enterprising
- United
- Committed

Sustainability at UOB Malaysia (Continued)

UOB's Sustainability Strategy (Continued):

We embed sustainability across the Bank, guided by UOB's overarching Group Sustainability Framework that supports decision-making at all levels. This Framework provides guidance on how to manage sustainability-related risks and business opportunities that significantly impact the environment, society and the economy. The Framework is underpinned by various relevant policies which define our commitments and guide our approach to conducting business in a sustainable manner.

Group Sustainability Framework	Strategy pillars and objectives	Guiding principles
• Supports decision-making at all levels by providing guidance on how to manage sustainability-related risks and business opportunities in the context of direct and indirect impact to the environment, society and the economy. • Underpinned by various relevant policies which define our commitments and guide our approach to conducting business in a sustainable manner.	• Demonstrate our focus on creating sustainable value for our stakeholders and how we align our long-term business strategies with their interests. • Inform our engagement with our stakeholders and how we can help them in their own practices for positive outcomes in the long run.	• Act as a compass for how we address the material risks and opportunities which may impact our customers, colleagues, investors, suppliers and the communities in which we operate.

As a financial institution, we are cognisant of the considerable impact that we can have in catalysing and facilitating decarbonisation, seeking to balance growth with responsibility through supporting a just transition. Hence, with the aspiration of being a leading sustainable bank and having committed to achieve net zero by 2050, we have incorporated climate change-related considerations into various critical components of our Sustainability Framework, Sustainability Strategy, risk management-related processes, as well as our financing evaluations and decisions in recent years.

In the following section, we provide a more detailed characterisation of these components, alongside the comprehensive governance structure that we have put in place to ensure effective oversight and strategic management of the various impacts of climate change.

Our climate-related disclosures have been prepared with reference to and in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as stipulated within the TCFD Application Guide for Malaysian Financial Institutions issued by the Joint Committee on Climate Change (JC3).

Sustainability Governance (Continued)

Sustainability is the responsibility of all UOB employees. As part of our commitment to sustainable and responsible growth, we proactively identify, assess and manage environmental and social risks, challenges, impacts and opportunities across our value chain. This is carried out within a robust governance framework, underpinned by policies and guidelines that guide our business conduct and operational decision making.

UOB's Sustainability Governance Structure:

UOB (Parent Company)

Sustainability Advisory Panel

Board of Directors and Executive Committee (Exco)

- Review long-term business and organisational goals, and provide strategic direction for the Bank's sustainability practices, including those addressing climate change and nature-related issues.
- Review, determine and oversee the management and monitoring of the Bank's material environmental, social and governance (ESG) factors and their scope, as well as evaluate key performance indicators.
- Review and approve relevant disclosures.

Management Executive Committee (MEC)

- Provides strategic direction for the Bank's sustainability policies and practices in line with the strategy approved by the Board.
- Manages and monitors sustainability-related, including climate change- and nature-related risks and opportunities, and oversees the progress, performance and reporting on such issues.
- Ensures appropriate investments are made to build capability and capacity across the Bank.

Group Sustainability Committee (GSC)
(chaired by the Chief Sustainability Officer)

- Reviews material ESG factors, identifies risks and opportunities, sets goals and targets, evaluates emerging issues, collates and assesses relevant data, and monitors the progress of sustainability-related programmes and initiatives.

Other senior management committees

- Review and approve policies and programmes, including those related to addressing climate change-related risks and opportunities, that come under their respective mandates.

Working groups

- Drive implementation of specific initiatives in collaboration with relevant subject-matter experts across functions.

Sustainability Advisory Panel

An independent advisory panel was established in 2023 at UOB Group-level to provide external perspectives and independent advice to the Board and Management on the Group's sustainability strategy, targets and initiatives. The panel was appointed with consideration of their respective individual expertise in relevant fields, including climate science, sustainability, and the wider industrial economy particularly in energy transition, as well as consideration of their global and regional perspectives, track record, experience, and alignment with UOB's organisational goals.

Sustainability Governance (Continued)

UOB's Sustainability Governance Structure (Continued):

UOB Malaysia

Board of Directors

- Review long-term business and organisational goals and provide strategic direction for the Bank's sustainability practices (including those addressing climate change-related issues) while, at the same time, ensuring alignment with UOB's sustainability strategies and priorities.
- Review and approve the Bank's Risk Appetite Statement (RAS) pertaining to environmental and climate risk exposure.
- Review and approve the Bank's climate-related policies as well as relevant climate-related disclosures, including for UOB Malaysia's Annual Report.
- Sustainability and climate change-related matters are embedded as part of Board meeting agendas for deliberation, such as sustainability regulatory updates, ESG risk reports, and climate-related risk assessments. The Board convenes at least four times a year.

Executive Committee (Exco) and Management Committee (MC)

- Provides strategic direction for the Bank's sustainability policies and practices in line with the strategy approved by the Board.
- Supported by the Country Sustainability Committee (CSC), manages and monitors sustainability- and climate change-related risks and opportunities; sets country goals and targets; and oversees the progress, performance and reporting of such issues.
- Ensures appropriate investments are made to build capability and capacity across the Bank.

Country Sustainability Committee (CSC)

- Dedicated separate management-level committee that meets at least three times a year
- Reviews ESG-related risks and opportunities (including climate change) – ensuring alignment with Groupwide material ESG factors while, at the same time, considering local operating context.
- Evaluates emerging issues, collate and assess relevant data, and monitor the progress of sustainability-related programmes and initiatives at country level.

Other senior management committees

- Review and endorse policies and programmes including those related to addressing climate change-related risks and opportunities, that come under their respective mandates (e.g. the Country Risk and Capital Committee reviews and endorses UOB Malaysia's Environmental Risk Management Framework).

Sustainable Procurement Working Group

- To strengthen responsible sourcing across the organisation, the Group has implemented the Group Supplier Sustainability Practices (GSSP) Policy, which sets out the ESG standards expected of all UOB suppliers. The GSSP serves as a key framework for embedding sustainability considerations into procurement decisions, ensuring suppliers align with the Group's long term commitment to responsible business conduct.
- To support the effective implementation of the GSSP at the local level, UOB Malaysia established the Sustainable Procurement Working Group (SPWG). The SPWG comprises key departments and functions that typically undertake large or material procurement activities. This multi functional structure enables coordinated action and consistent application of sustainability requirements across the organisation.
- One of the SPWG's core responsibilities is to set the benchmark threshold to determine which suppliers fall within the scope of the GSSP. The working group also plays a coordinating role in engaging suppliers who meet this threshold, ensuring that they understand and acknowledge the GSSP requirements.
- In addition, the SPWG provides annual updates to the Country Sustainability Committee (CSC), including progress made, supplier engagement outcomes and proposed enhancements to procurement practices.
- In 2025, UOB Malaysia achieved a key milestone: 95% of our material suppliers engaged have acknowledged the GSSP, reflecting strong supplier support for our sustainability expectations and our continued efforts to drive responsible practices throughout our supply chain.

Sustainability Governance (Continued)

UOB's Sustainability Governance Structure (Continued):

Our sustainability governance structure ensures we have oversight of and compliance to regulatory, sectoral and stakeholder expectations related to our sustainability strategy. These are grounded on the below principles:

- Ensure effective governance and oversight on sustainability matters, including considerations of trade-offs between managing sustainability-related, including climate-related risks, and capturing business opportunities;
- Ensure that sustainability and climate change-related matters have sufficient attention from the Board;
- Ensure connectivity among functions on targeted topics related to sustainability and climate; and
- Ensure formal escalation processes and accountability.

Climate change-related issues are also integrated into the following governance mechanisms:

- Strategy review;
- Guidance on major plans of action;
- Review and guidance on risk management policies;
- Monitoring of implementation and performance of objectives;
- Oversight of progress against goals and targets for addressing climate change-related issues; and
- Review and approval of relevant disclosures in our annual reporting.

Our internal auditors conduct risk-based audits on the quality, adequacy and effectiveness of our strategy, risk management and internal controls, as part of our Three Lines Model.

Board of Directors

As part of the Board's responsibilities, the Board is regularly updated on sustainability-related developments, including climate change-related topics. These updates encompass regulatory developments, internal policies, the direct impact of our operations, indirect impact through our financing and investment activities, and our initiatives to support customers in their sustainability journey.

UOB Malaysia's Board of Directors comprise of diverse and extensive experience, proficiencies, and business acumen that contribute strong credentials to the Board composition, critical to the oversight of the Bank's identification, monitoring, and management of sustainability and climate change-related matters. The Board members' experiences span across industries such as accountancy, consulting and advisory, legal, and the real economy, including from a diverse multi-industrial conglomerate with long-standing progressive sustainability commitments and efforts in the industry.

In 2025, the Board:

- reviewed and approved UOB Malaysia's first Climate-related Disclosures for Annual Report 2024, aligned to the Task Force on Climate-related Financial Disclosures (TCFD) Application Guide for Malaysian Financial Institutions by Joint Committee on Climate Change (JC3);
- deliberated the Bank's climate risk stress testing exercise assessment results and potential impacts, in accordance with the BNM's 2024 Climate Risk Stress Testing Methodology Paper;
- reviewed and approved updates to the Bank's risk management frameworks and policies, which include requirements on borrower and transaction-level ESG risk assessments;
- discussed key sustainability trends to proactively address evolving ESG opportunities and challenges across the Malaysian business ecosystem;
- reviewed the overall sustainability progress made by UOB Malaysia, including sustainable finance, client engagement, industry leadership initiatives, and regulatory compliance;

Other Board Committees also receive reports related to climate change-related risks and opportunities that come under their respective mandates. The Board and relevant Board Committees consider climate change-related risks and opportunities in the context of our guiding principles and sustainability strategy pillars.

Sustainability Governance (Continued)

UOB's Sustainability Governance Structure (Continued):

Management

The Country Sustainability Committee (CSC) is a dedicated separate management-level committee comprising representatives from across the Bank's business and support functions. Collectively, these functions carry out activities that may have direct or indirect impacts on the environment, society and the economy. The CSC plays a key role in supporting the Management Committee (MC) and Executive Committee (Exco) in embedding environmental, social and governance (ESG) considerations, including climate change-related matters, across the Bank's operations.

In 2025, the CSC's activities focused on strengthening governance oversight, enhancing regulatory engagement, and monitoring the execution of key sustainability initiatives across the Bank. Key areas of focus included the following:

- led ongoing engagement with relevant regulators, including Bank Negara Malaysia (BNM), to provide updates on the progress of key sustainability-related initiatives and implementation of regulatory requirements.
- monitored progress against key targets and milestones, including those relating to sustainable financing, reduction of emissions from the Bank's own operations, maintenance of environmental certifications, and the implementation of sustainability-related and climate change-related risk management processes. This included oversight of the adoption of BNM's Climate Change and Principle-based Taxonomy (CCPT) Due Diligence Questions (DDQ) template.
- received updates from, and provided oversight on the work of, the Country Sustainable Procurement Working Group (SPWG) in advancing sustainable sourcing practices. This included initiatives to require selected suppliers and vendors that are material to the Bank to ensure their operations are aligned with the Group Supplier Sustainable Principles.
- oversaw the establishment and development of strategic partnerships with sustainability solution providers, relevant ministries and authorities, and other participants within the sustainability ecosystem, with the aim of supporting the Bank's sustainability and climate objectives.
- oversaw the roll-out of new sustainability and climate change-related learning modules under the Sustainability Academy, including the introduction of a Greenwashing Risk module.
- organised and supported internal sustainability awareness and employee engagement initiatives, including Bank-wide campaigns aimed at reinforcing climate awareness and responsible behaviours
- reviewed the Country Decarbonisation Plan for the Bank's branch network, which outlines measures to reduce operational emissions over time.

Other senior management committees, such as the Risk and Capital Committee (RCC), are responsible for reviewing and endorsing policies and programmes within their respective mandates. This includes matters related to identification, assessment and management of climate-related risks and opportunities.

Sustainability Governance (Continued)

UOB's Sustainability Governance Structure (Continued):

Board and Senior Management Training

The Board and senior management undertake ongoing training and capacity building to ensure they are continuously equipped with the knowledge of latest sustainability and climate change-related developments, trends, and regulatory changes, as well as develop critical skills and know-how to effectively discharge their respective responsibilities.

In 2025, the Board and senior management have attended various training programmes, and conferences on sustainability and climate change, including pertinent developments within the energy sector landscape, financial institution sector, and industrial net zero developments.

Further to that, the Board and senior management had in-depth discussions and engagement with our UOB Group Sustainability Advisory Panel, an independent panel of industry experts formed to provide external perspectives from the real economy and independent suggestions on various aspects of our sustainability strategy, targets and initiatives. In the panel engagement, the Board and senior management discussed and exchanged insights on global and ASEAN sustainability developments, risks and opportunities, clean energy transition progress, as well as nature-related and biodiversity considerations.

For internal and external bankwide sustainability and climate change-related training, please refer to Pages 130 and 131.

Remuneration

UOB Malaysia's Balanced Scorecard includes metrics for financial outcomes, as well as strategic and business drivers. To align with our strategic focus on sustainability, sustainability-related metrics are embedded in our balanced scorecard and Risk Appetite Statement.

The remuneration of employees comprises of fixed and variable pay. Our variable pay pool is based on the performance against the country Balanced Scorecard, where climate-related considerations have been factored in. Sustainability metrics are also incorporated in the key performance objectives for relevant functions and roles, reflecting their direct contribution to achieving the bank's sustainability goals. This is part of a progressive effort to embed sustainability across processes, systems and decision-making throughout the bank.

Strategy

Climate change remains one of the most complex and defining issues of our time. At UOB Malaysia, we are committed to strengthening the resilience of our lending and investment portfolio and supporting the region's transition to a low carbon economy in a responsible and pragmatic manner.

ASEAN, our home region, continues to experience rising vulnerability from the intensifying scale and frequency of extreme weather events. Climate risks, both transition and physical, can manifest through various risk drivers at different time horizons. While chronic physical risk is expected to materialise in the long term, acute physical risk is event-driven and may manifest in the shorter term, evidenced by the physical risk events witnessed in the past few years such as the severe floods in the country.

The economic, environmental and social impacts resulting from climate change threaten to undo decades of developmental progress. As industries accelerate mitigation and adaptation efforts, the path forward remains uneven. Transition measures, while necessary, can create unintended consequences, from shifts in cost competitiveness to pressures on household affordability and business viability. Phasing out fossil fuels is a critical global priority, yet doing so too quickly risks compromising energy security, given the region's growing energy demands and the nascent development of renewable infrastructure.

A pragmatic, context-specific approach is essential against this backdrop. Our role is to support a transition that is credible, orderly and inclusive – one that balances climate ambition with the realities of our regional economy, and ensures that people and businesses can continue to thrive throughout the transition.

To this end, we encourage our customers to progress responsibly and enable sustainable operations through:

i) Offering a comprehensive suite of sustainable financing solutions
   a. Tailored sustainable finance solutions with customisable financial instruments to suit client-specific sustainability needs, leveraging on UOB's comprehensive Sustainable Finance Frameworks and U-Series solutions.
   b. Leverage on government-backed schemes and BNM supported facilities, such as Green Technology Financing Scheme (GTFS), BNM Low Carbon Transition Facility (LCTF) and BNM High Tech and Green Facility (HTG).

ii) Offering advisory solutions and support programs beyond banking to assist our clients. These include:
   a. Strategic collaborative programs anchored by strong partnership with our strategic partners.
   b. Tools and guidance, such as ESG readiness assessments and action plans to support clients in taking their next steps.
   c. Client engagements and capacity building.

iii) Building ESG data capabilities and reporting support
   a. Via internal initiatives such as system enhancements to support ESG data collection and external initiatives to support our clients through strategic partnerships (Refer to Page 144).

iv) Enabling internal capability development
   a. Facilitate sustainability and climate risk-related trainings, workshops, knowledge sharing sessions with our partners, as well as regular broadcast and product feature briefings to strengthen our internal workforce's knowledge and capabilities.

Strategy (Continued)

Decarbonisation Strategy

Our approach to operational decarbonisation

We are committed to maintaining carbon neutrality for our operations. We focus on three key areas in our operational decarbonisation.



Energy efficiency

We added sustainability features across our buildings including:

- more energy-efficient LED lighting systems;
- smart building sensors to manage lighting and lifts optimally;
- optimisation and upgrading of air conditioning systems to improve energy efficiency; and
- decarbonisation of our vehicle fleet either through hybrid or electrification option, where feasible.

Renewable energy

We use clean energy sources through the procurement of:

- on-site, rooftop solar power systems for our office or branch locations, where feasible; and
- high-quality Energy Attribute Certificates from renewable energy projects registered with international standards such as International Renewable Energy Certificate (I-REC) or Tradable Instrument for Global Renewables (TIGR).

Carbon offsets

We use high-quality carbon offsets registered with international standards such as the Gold Standard and Verified Carbon Standard for our remaining carbon emissions, through carbon emissions reduction programmes such as:

- solar energy and cleaner cookstove projects.

Further details of our operational emissions targets, approach, and achievements are in Metrics and Targets (Page 163 to 165).

Strategy (Continued)

Decarbonisation Strategy (Continued)

Our approach to portfolio decarbonisation

We focus on four key areas in our holistic transition plan.

Developing granular sectoral plans

Setting targets, measuring progress, and capturing opportunities across sectors to achieve our overall decarbonisation ambitions

Supporting our customers

Providing advisory and financial solutions to help our customers in their decarbonisation journey

Embedding net zero in our operating model

Enhancing our operating model across governance, policies, processes and capabilities to support our decarbonisation effort

Driving effective stakeholder engagement

Working collaboratively with a broader ecosystem of governments, regulators, industry and trade associations, and peers to drive collective action

We do not apply an internal carbon price on our financed emissions, which make up a majority of our emissions profile, as we deploy other levers such as our granular sectoral plans and sustainable finance to support the decarbonisation of our customers. Continuing our support of our customers' transition, we expect our sustainable finance portfolio to grow accordingly.

Strategy (Continued)

Building Internal Climate Competency

The Bank continues to invest in internal capacity-building initiatives. These efforts aim to equip employees with knowledge and skills required to integrate climate considerations into decision-making, risk assessment and client engagement.

In 2025, five key initiatives were undertaken:

i) **Sector-specific CCPT Training in Collaboration with Asian Banking School**
The Bank partnered with the Asian Banking School to deliver four specialised workshops on Bank Negara Malaysia's Climate Change and Principle-based Taxonomy (CCPT). These sessions focused on various sectors—Construction & Infrastructure, Real Estate, Manufacturing (Consumer Goods and Industrial), and Energy & Chemicals. The workshops provided participants with a comprehensive understanding of sector-specific climate considerations, regulatory expectations, and industry best practices. They were designed to equip bankers with practical skills to conduct CCPT reviews effectively. A total of 214 Wholesale Banking colleagues attended these workshops, reinforcing the Bank's commitment to embedding climate risk assessment into core business processes.

ii) **CCPT Engagement and Refresher Sessions by Risk Management**
To strengthen climate risk governance across business lines, the Risk Management team conducted two CCPT engagement and refresher sessions for colleagues in Commercial Banking and Corporate Banking. These sessions reinforced understanding of CCPT requirements and practical application in credit assessments, ensuring alignment with regulatory standards. More than 150 participants attended, reflecting strong engagement and readiness to integrate climate considerations into lending decisions.

iii) **Insights and Expectations Workshop on Energy Efficiency Conservation Act (EECA)**
As part of our ongoing capacity building efforts to ensure our relationship managers are well-equipped with recent developments, UOB Malaysia organised an EECA Awareness Workshop together with the Malaysian Association of Registered Energy Managers and Energy Auditors (MAREMA). The workshop aimed to build relationship managers' competency in understanding and communicating key expectations from the Act to assist clients navigate the requirements and evolving landscape. With participation from over 200 relationship managers across Wholesale Banking, the workshop provided updates on key regulatory developments and sector specific implications, enabling frontliners to engage clients with greater clarity and confidence.



Strategy (Continued)

Building Internal Climate Competency (Continued)

iv) Sustainability Academy: New Waste Management Module & Greenwashing Specialist Series

Building on the Sustainability Academy's foundational modules introduced in 2024, which covered ten essential sustainability topics under the 200 Series, the Bank continued to strengthen employee knowledge in 2025. Under the 200 Series, a new module—**Module 214 on Waste Management**—was introduced, providing an overview of global and regional waste challenges and highlighting the importance of transitioning towards a zero-waste future.

200 series modules

Essentials of Sustainability
Key fundamentals on the changes to our environment, the impact on our communities and our responsibilities in economic activities

Climate Change
Drivers and impacts of climate change, and risks and opportunities for the banking industry

Net Zero
Key fundamentals of net zero and UOB's net zero commitment

Natural Capital and Biodiversity
Interconnection between businesses and nature, as well as how UOB contributes to a nature-positive future

Waste Management
The global and regional waste challenge, and rethinking the way we design, use and dispose of resources for a zero waste future NEW

Human Rights and Business
Corporate responsibility to respect human rights including awareness of modern slavery, and their risks and impacts in a bank

Workplace Safety and Health
Importance of a safe and healthy work environment, and good health and safety practices at the workplace

Diversity and Inclusion
Introduction to diversity and inclusion, and UOB's efforts in embracing a diverse and inclusive workforce

Sustainable Banking
Introduction to sustainable banking and UOB's role in mobilising capital for sustainable development

Greenwashing
Risks and impacts of greenwashing for businesses and the banking industry

Sustainable Supply Chain
Sustainability principles in procurement and UOB's role in building sustainable supply chains

In parallel, the academy launched the **400 Specialist Series**, an advanced programme designed to upskill functional expertise and enable employees to deliver sustainability solutions and make ethical decisions. As part of this series, a workshop on **Navigating Greenwashing Risk** was introduced, aimed at equipping colleagues with the ability to identify, mitigate, and manage reputational and compliance risks associated with greenwashing. Colleagues from various functions and departments were selected to participate, ensuring broad organisational capability in addressing emerging sustainability challenges.

v) Sustainability Advisory Panel (SAP) Engagement and Knowledge Transfer

In 2025, SAP members conducted in person visits to the Bank and facilitated a series of technical knowledge sharing sessions for Senior Management and key functions, including Risk Management, Wholesale Banking and the Country Sustainability Office. These engagements provided the Bank with updated perspectives on global and regional ESG developments, sectoral decarbonisation trajectories, and evolving regulatory expectations.

The panel also deepened the organisation's understanding of climate related risks—particularly their financial implications—through discussions on areas such as transition risk drivers, clean energy technology adoption, industrial electrification, and climate resilient business strategies. The knowledge shared has contributed to building stronger organisational readiness to respond to climate-related risks and opportunities.

Risk Management

Climate change is reshaping environmental and economic systems globally, heightening risk exposures and introducing new challenges for financial institutions. Climate risks are complex and transverse in nature and may potentially translate into known financial risk types for banks including credit risk, market risk, liquidity risk and operational risk. Climate risk assessment is integrated into UOB Malaysia's risk management considerations to manage the Bank's exposure to climate-related risks and seize emerging opportunities from the transition to a lower-carbon economy.

Key climate-related risks and potential impact identified over various time horizons

Classification	Risk drivers		Examples of potential impacts	Expected time horizon
Transition risk	Policy and legal	Policy or regulatory changes to mitigate climate change impacts and to encourage shift towards renewable energy sources E.g. implementation of carbon tax, tighter energy efficiency standards and more stringent regulation of products and services	Policy changes such as the phase-out of internal combustion engine vehicles and single-use plastics, or the Extended Producer Responsibility that could lead to structural business disruption and loss of competitiveness of our clients	Short / medium term
			Implementation of carbon tax may increase operating cost, particularly for heavy emitters, potentially leading to credit deterioration of our clients	Short / medium term
		Exposure to environmental litigations amid increased stakeholder expectations	Development and implementation of regional and national taxonomies of green, sustainable and transition financing activities may restrict heavy emitter's access to funding	Short / medium term
	Technology	Technological improvements or innovations may lead to rapid changes in costs of production, competitiveness, and demand-supply dynamics of certain sectors and necessitate the write-off of existing assets and increased capital expenditure	Technological advances have improved the viability and cost competitiveness of green technologies, such as electric vehicles and solar/wind energy, which could disrupt demand for fossil fuel- based businesses and trigger early write-offs	Short / medium / long term
			Investment in technology, and research and development expenditure to reduce emission or to improve energy efficiency could stress the balance sheets of affected clients	Short / medium / long term

Note on materialisation timeline: Short term: <3 years; Medium term: 3-10 years; Long term: >10 years, in line with UOB's strategic planning horizon.

Risk Management (Continued)

Key climate-related risks and potential impact identified over various time horizons (Continued)

Classification	Risk drivers		Examples of potential impacts	Expected time horizon
Transition risk	Market	Increased volatility and uncertainty in market trends and signals caused by changing customer behaviours, increased cost of materials etc.	Shift in consumer preferences towards more sustainable products and services could lead to demand destruction for higher-carbon businesses and increased costs to adapt to market trends	Short / medium term
			Sourcing restrictions for carbon-intensive raw materials and surge in demand for critical minerals needed for electric vehicle batteries could lead to increased volatility and costs	Short / medium / long term
	Reputation	Increased expectations and scrutiny from consumers, regulators, communities and other stakeholders on climate and emissions reduction	Reduced demand for products/ services, availability of funding to stigmatised sectors and our counterparties, as well as the ability to attract/retain talent	Short / medium / long term
			Increased regulatory and enforcement actions against corporate greenwashing in relation to emission reduction commitments, green and sustainability product claims, etc.	Short / medium / long term
			Litigations associated with greenwashing or misrepresentation of green/sustainability credentials	Short / medium / long term
Physical risk	Acute	Increased severity and frequency of extreme weather events, such as heat waves, typhoons, floods and bushfires	More frequent and severe climate events, such as floods and droughts, in ASEAN could disrupt operations and damage physical assets, resulting in lower revenues, increased recovery/ insurance costs and asset value impairment	Short / medium / long term
			Increased frequency and severity of heat waves could have wide-ranging economic effects including damage to infrastructure, crop failure and lower labour productivity	Short / medium / long term

Note on materialisation timeline: Short term: <3 years; Medium term: 3-10 years; Long term: >10 years, in line with UOB's strategic planning horizon.

Risk Management (Continued)

Key climate-related risks and potential impact identified over various time horizons (Continued)

Classification	Risk drivers		Examples of potential impacts	Expected time horizon
Physical risk	Chronic	Long-term shift in climate patterns, such as temperature rise, sea level rise and sustained lower average precipitation	Shifts in climate, such as rainfall patterns, rising temperatures and sea levels could result in reduced crop outputs, affecting food production and security, as well as deterioration in living and working conditions	Long term
			Decrease in asset values in vulnerable regions, such as coastal areas in ASEAN that are susceptible to flooding	Long term

Note on materialisation timeline: Short term: <3 years; Medium term: 3-10 years; Long term: >10 years, in line with UOB's strategic planning horizon.

Developing a climate risk appetite statement (RAS) is an important aspect of climate risk management and strategy. Climate risks have been embedded into UOB Malaysia's Board-approved RAS, both qualitatively and quantitatively. The Bank has enhanced the qualitative RAS to better cover climate risk and introduced quantitative RAS climate risk metrics in pursuit of our climate strategy.

In addition, to better assess our portfolio's climate resilience under various plausible outcomes, we leveraged our Group's bottom-up climate stress test modelling approach to conduct BNM's industry-wide climate risk stress test (CRST) exercise in 2025. We employed climate scenario analysis models to assess the impact of both transition and physical climate risk on our risk profile and business strategies, as well as resilience of our corporate borrowers to financial losses under a range of outcomes.

Risk Management (Continued)

Climate Risk Management

Climate risk is identified, assessed, managed and monitored through our Environmental Risk Management Framework, which is approved by the Board. This Framework covers governance, policies and control processes in relation to UOB Malaysia's lending activities and capital market underwriting that may expose UOB Malaysia to material environmental risks. Please refer to our Pillar 3 disclosures for more in-depth information on the Framework.

We manage **credit risk** associated with climate and ESG risk through our Responsible Financing Policy, which covers risk identification, assessment, mitigation and monitoring. Sectors with inherently higher ESG risk are subject to enhanced due diligence with sector-specific requirements. Based on our climate scenario analysis performed at Group level, the impact of transition and physical risk was not expected to be material in the short term, but may manifest more prominently in the longer term. Additionally in 2025, we have introduced a climate scorecard for evaluating borrowers' climate risk profiles and their risk mitigation and adaptation efforts.

The Bank may be exposed to **market risk** arising from the change in price volatility and potential decline in valuation of the investments, due to impacts from severe physical climate events and shifts in investor preferences, particularly in carbon-intensive sectors. However, the short-dated nature of such exposures suggest that the impact is likely to be contained as trading activities will react to short-term market movements and the Bank's trading portfolio exposures will be actively managed. Daily market risk stress testing using scenarios depicting various climate events are conducted for internal trading book market risk governance and risk awareness.

Liquidity risk stems from the inability to raise funds to meet the Bank's obligations due to various factors including those relating to climate change. Acute physical risk events may cause widespread physical damage and lead to a surge in clients' deposit withdrawals to finance damage repair and demand for emergency loans. In addition, decarbonisation of the economy over time may lead to difficulty in liquidating liquid assets issued by carbon-intensive corporates held by the Bank. However, this portfolio forms a limited part of our overall liquid assets. UOB Malaysia manages short-term liquidity implications of climate risk through stress testing.

Extreme weather events may also result in **operational risk** through disruptions to business continuity, due to adverse impact on the Bank's infrastructure, systems, processes and employees. The risk is particularly relevant to physical assets in parts of the country with elevated vulnerability to physical risk, in particular, flooding. To mitigate this, our key critical facilities are equipped with high resiliency and critical systems are built with high availability. In addition, our buildings have flood mitigation measures including flood gates and/or pumps. UOB Malaysia's Business Continuity Management (BCM) Policy and Guidelines further integrate BCM into day-to-day operations and risk management, including coverage of climate-related risks.

2025 Highlights

Progressive Implementation of CRMSA and CRST Requirements

Throughout 2025, we have made further progress by integrating climate considerations into the Bank's governance, risk management and decision-making processes in adherence to BNM's Climate Risk Management and Scenario Analysis (CRMSA) Policy Document.

UOB Malaysia has completed a climate risk stress testing (CRST) exercise in-line with BNM's 2024 CRST methodology, including both physical and transition risk scenarios across long-term and short-term horizons to assess the extent of climate risks impact on our portfolio. The CRST exercise includes quantifying the impact of climate risk on selected economic sectors such as potential credit deterioration in these sectors and increased collateral impairment arising from acute physical risk such as flooding. These insights ultimately inform our strategic decisions on client engagement priorities.

Risk Management (Continued)

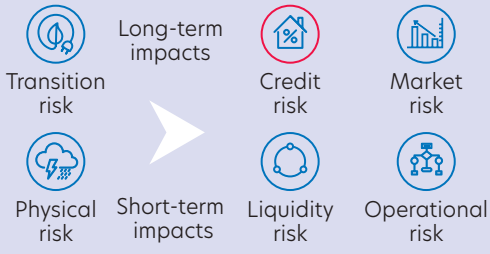
2025 Highlights (Continued)

Progressive Implementation of CRMSA and CRST Requirements (Continued)

Climate risk stress test for UOB Malaysia (UOBM)

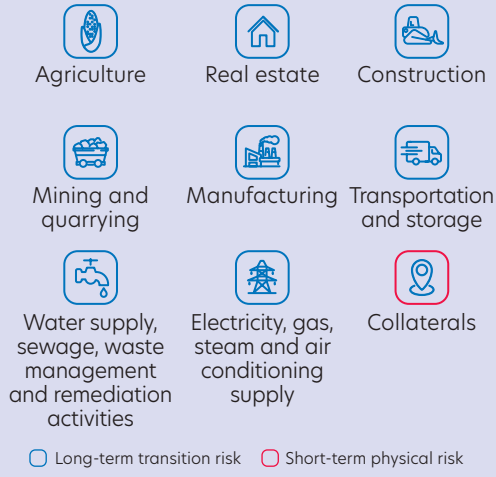
Scope and approach

Scope



Quantitative assessment

The long-term transition risk assessment was conducted across selected economic sectors, while the short-term physical risk assessment focused on the collateral portfolio.



Scenarios

Long-term

Net Zero 2050
Collective global actions are taken immediately to reduce emissions towards a target of limiting global warming to 1.5°C as compared with the pre-industrial level by the end of the century, reaching global net zero in CO_2 emissions around 2050. Stringent climate policies are set to drive carbon price up to approximately US$325/t$CO_2$ by 2050.

Divergent Net Zero 2050
Net zero will be reached around 2050 but with higher costs due to divergent policies introduced across sectors, i.e. climate policies are stringent in the selected economic sectors. The policy measures will lead to an increase in carbon price in Malaysia, reaching up to approximately US$699/t$CO_2$ by 2050.

Nationally Determined Contributions
Implemented and pledged policy measures are in place but remain inadequate to facilitate an orderly transition, which will lead to the lowest increase in carbon price among the three transition risk scenarios assessed, up to approximately US$42/t$CO_2$ in Malaysia by 2050.

Short-term

Acute Extreme Flooding
A one-in-200-year flood happening on 1 January 2024 under a climate condition of the Representative Concentration Pathway (RCP) 8.5* in 2050.

* *The Intergovernmental Panel of Climate Change's (IPCC) High Emissions Scenario*

Insights

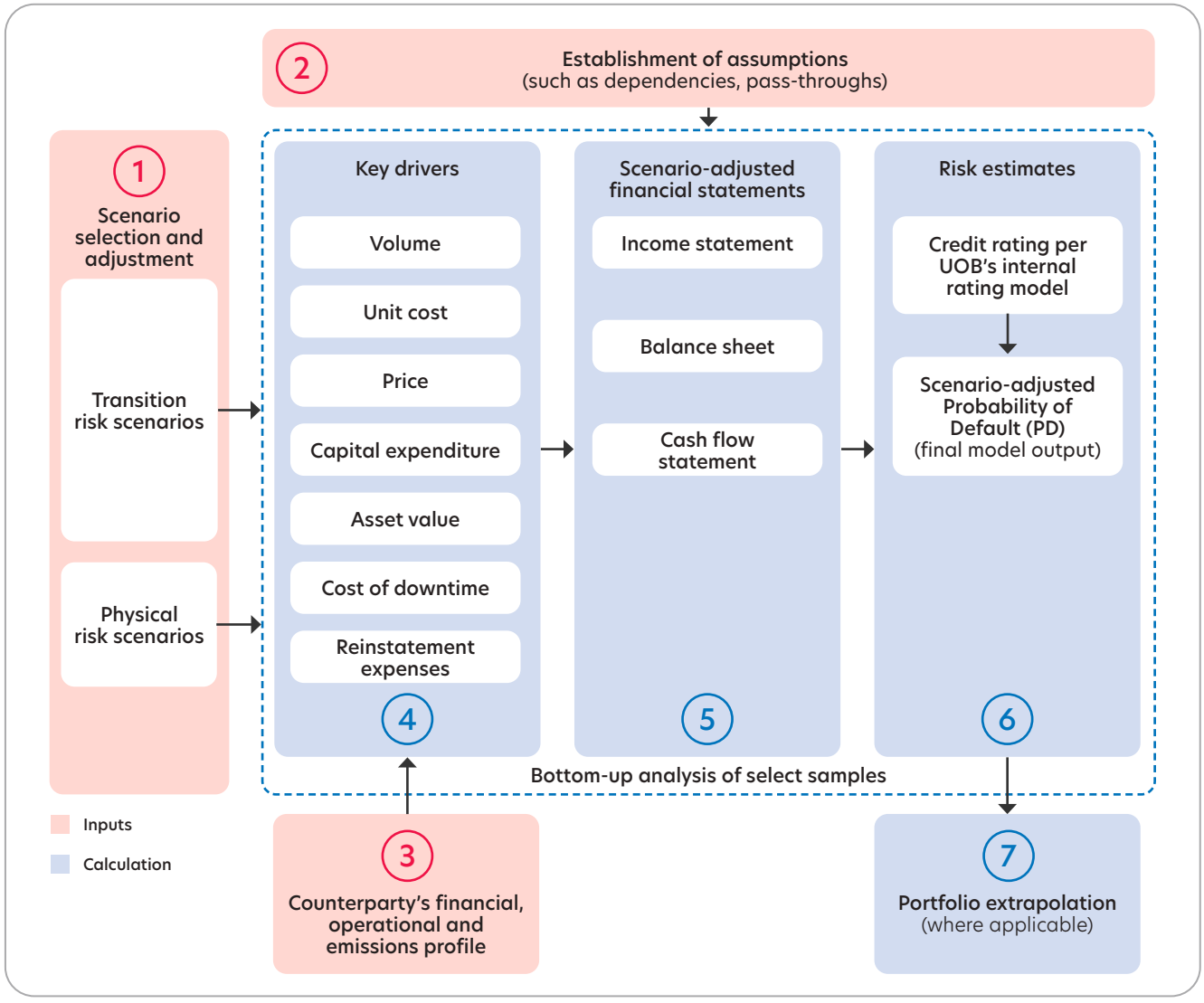
Over the long-term horizon under the Net Zero 2050 and Divergent Net Zero 2050 scenarios, some sectors, such as manufacturing, agriculture and transportation and storage, are expected to face relatively higher transition risk impact. This is primarily due to their higher carbon emissions and ensuing carbon tax or business costs.

In the event of an acute extreme flooding scenario, collaterals situated in low lying and outer coastal areas, particularly those prone to fluvial and coastal flooding in the states of Sarawak, Kelantan and Malacca, are projected to experience a steeper decline in valuation. However, they represent only a minor fraction of UOBM's collateral portfolio.

Risk Management (Continued)

2025 Highlights (Continued)

Climate scenario assessment methodology (long-term)



Multiple data sets are used to project the climate risk impact on borrowers' financials under various climate scenarios via key financial drivers. The financial impact would then be translated into changes in the borrowers' credit rating over the forecast time horizon up to 2050. Due to data challenges, this bottom- up modelling is performed for a representative sample of borrowers from each industry segment and the insights derived from the analysis are then extrapolated to the rest of the borrowers in the sector.

Risk Management (Continued)

2025 Highlights (Continued)

Climate scenario assessment methodology (long-term)

Step 1: Selection of climate scenarios and corresponding scenario variables

Climate scenarios are typically constructed using scientific data and methodologies by reputable international organisations, such as the Network for Greening the Financial System (NGFS), the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), that facilitate better comparability and consistency across industries.

Each climate scenario is a simplified representation of how the global economy would evolve under a set of climatic conditions, economic and climate policy assumptions. A transition risk scenario provides the range of information and parameters needed to assess the impact of the transition to a low carbon economy, such as the trajectory of gross domestic product (GDP), inflation, property prices by geography, and market dynamics such as energy demand and supply of resources. A physical risk scenario defines possible climate consequences resulting from increased greenhouse gas emissions such as the likelihood, frequency and magnitude of climate events and patterns.

Step 2: Determination of assumptions

General and sector-specific model assumptions are determined by subject-matter experts and supported by available literature and market insights. Generally, we assume that companies will react rationally to economic and market conditions introduced by scenarios so as to minimise cost and to remain competitive and profitable. For example, companies would seek to pass through any cost increases to the extent possible depending on the price elasticity of demand of the sector it operates in. They are also assumed to distribute profits in excess of the amount required for reinvestment to their shareholders.

Step 3: Counterparty data collection

Financial, emissions and activities data of sampled companies are obtained from various sources, prioritising information directly acquired from our customers. Where direct information is not available, proxies or secondary data from credible third-party data providers serve as alternatives.

Step 4: Projection of scenario-adjusted financial drivers

Changes in the key financial drivers are projected based on the counterparty's starting position and the expected impact on its business as per the scenario. For example, the models incorporate the effects of:

- carbon tax increase on a company's cost of production due to its direct emissions and indirectly through carbon tax pass-through from their upstream supply chain, which in turn impacts the price and volume of goods sold;
- changes in consumption patterns on the volume of demand;
- investment needed to decarbonise on borrowers' balance sheet strength, which determines its ability to grow; and
- damage and disruption due to climate physical hazards on the company's revenue and operational costs. For Income Producing Real Estate (IPRE) borrowers, these would impact their Debt Service Coverage Ratio (DSCR) and Loan-to-Value (LTV).

Step 5: Development of scenario-adjusted financial statements based on key drivers

Financial statements, including balance sheet, income statement and cash flow statement, are then stressed based on changes in the key financial drivers.

Step 6: Counterparty's credit rating using UOB's internal credit rating models

Credit rating for each sampled counterparty over the forecast horizon is obtained using the stressed financial statements / stressed financial drivers.

Step 7: Extrapolation of bottom-up analysis results to the wider portfolio, where applicable

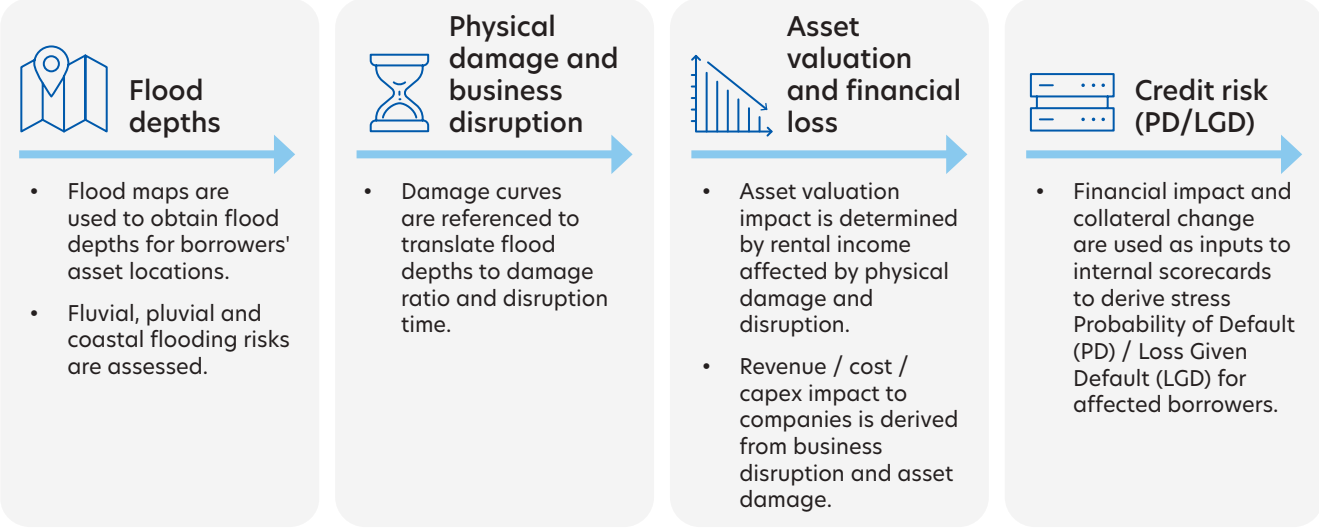
Due to its data-intensive nature, the bottom-up analysis is not expected to cover the entire portfolio. Instead, it is used to generate results for select samples in each sector. Insights from the bottom-up stress-testing analysis are used to identify the sector-specific risk drivers, which are then used to extrapolate the stress-testing analysis to the remaining companies in the portfolio, where applicable.

Risk Management (Continued)

2025 Highlights (Continued)

Climate scenario assessment methodology (short-term)

Flood risk assessment framework



The rising frequency of extreme weather events associated with climate change has also drawn more attention to the impact of physical risks. Completed in 2025, a physical risk analysis has been conducted to improve our modelling of flood risks by incorporating relevant transmission channels and employing more granular approaches to simulate flood damages. A structured framework has been developed for assessing flood risk and its implications for counterparties' assets and financial performance. The framework involves four main steps as follows.

Step 1: Determine flood depths
The process begins by leveraging flood maps to determine the depth of flooding at the locations of relevant assets. The maps are provided by specialist firms with granular resolution up to 30 x 30 metre, covering fluvial (river), pluvial (rainfall), and coastal flooding risks which have been adjusted for various climate scenarios up to year 2050.

Step 2: Translate flood depths into physical damage and business disruption
Once the flood depths are established, damage curves are used to translate these measurements into a damage ratio, indicating the proportion of asset value lost, as well as the expected duration of business disruption.

Step 3: Revaluate assets and estimate financial loss
The next step involves evaluating the impact on asset valuation, which is determined by considering how physical damage and disruption would impact rental income. For operating companies, the analysis extends to estimating the impact on revenue, costs, and capital expenditures, all of which are influenced by the degree of business disruption and asset damage.

Step 4: Estimate credit risks
Finally, the financial performance impact and any changes in asset valuation are incorporated into the Bank's internal credit rating scorecards. These inputs are essential for deriving stressed Probability of Default (PD) and Loss Given Default (LGD) metrics for affected counterparties, providing a quantitative measure of credit risk under various flood scenarios.

Application of BNM's Climate Change Principle-based Taxonomy (CCPT) on Corporate and selected SME Clients

Since 2022, we have utilized BNM's Climate Change Principle-based Taxonomy (CCPT) to ensure a more standardised classification and reporting of climate-related exposures. In 2025, multiple capacity building sessions, including sectoral-focused CCPT trainings, were conducted throughout the year to strengthen and deepen the capabilities of our personnel with the taxonomy and the nuanced aspects of climate risk across different industries.

Sustainable Banking

Recognising the risks posed by climate change, we also embrace the economic opportunities embedded in the transition and adaptation towards being more climate resilient. Malaysia presents significant transition and adaptation opportunities, with the green economy expected to contribute approximately RM80 billion to national Gross Domestic Product (GDP) by 2030[1], supported by renewable energy, low carbon industries and circular economy.

Achieving national climate objectives will require substantial capital, over RM1.2 trillion investments needed for the transition to net zero emissions[2]. Therefore, financial institutions play a critical role by not just integrating decarbonization across their own operations, but more importantly play a critical role in mobilising capital and financial flows through financing activities to support an orderly and inclusive transition.

At UOB Malaysia, we integrate sustainability into our long-term business strategy, aligning with the United Nations Sustainable Development Goals (UN SDGs), the Paris Agreement as well as Malaysia's climate-related aspirations, policies and goals.

We derive insights from the outcome of climate risk assessment to inform strategic decisions on client engagement priorities. We support our clients through availing various financial products, services and advisory beyond financing, to support their transition in line with their sectoral transition pathway.

Spurring Climate Positive Actions through Sustainable Banking

We embed ESG considerations into our financial products and services to support long-term economic, environmental and societal well-being. We offer sustainable banking products and address ESG risks and opportunities of our business, including those related to climate change, natural capital and biodiversity, and human rights.

Responsible Financing

We recognise the role banks play to support sustainable development, notably through the adoption of responsible financing practices to mitigate ESG risks. Thus, we expect our borrowers to be similarly committed to sustainability and have systems in place to mitigate these risks. In this regard, UOB Malaysia's Responsible Financing Policy is applicable to all borrowing customers of Wholesale Banking and the Bank's capital market underwriting activities, integrating the principles of responsible financing into our credit evaluation and approval processes. It is guided by our Environmental Risk Management (ENRM) Framework and covers a broad range of issues and risks under three key ESG pillars:

- **Environmental:** Greenhouse gas emissions, deforestation and forest degradation, loss of biodiversity and critical ecosystem services, water, air and soil pollution and contamination, waste management, and resource efficiency.

- **Social:** Labour standards (including child labour and forced labour), community relations and engagement, land acquisition and resettlement, human rights, health and safety, food security and other basic necessities of local communities or indigenous people.

- **Governance:** Corporate ethics and integrity, reputation, management effectiveness, and risk management.

Through our Responsible Financing Checklist, due diligence is conducted on all new and existing borrowers to assess for any material ESG risks, including but not limited to ESG management approach and capacity, potential environmental and social impacts, climate risks, as well as historical ESG non-compliance and controversaries and the relevant mitigation measures implemented. Borrowers are assigned with an ESG risk rating for the Bank to monitor and manage ESG risk exposure of our portfolio.

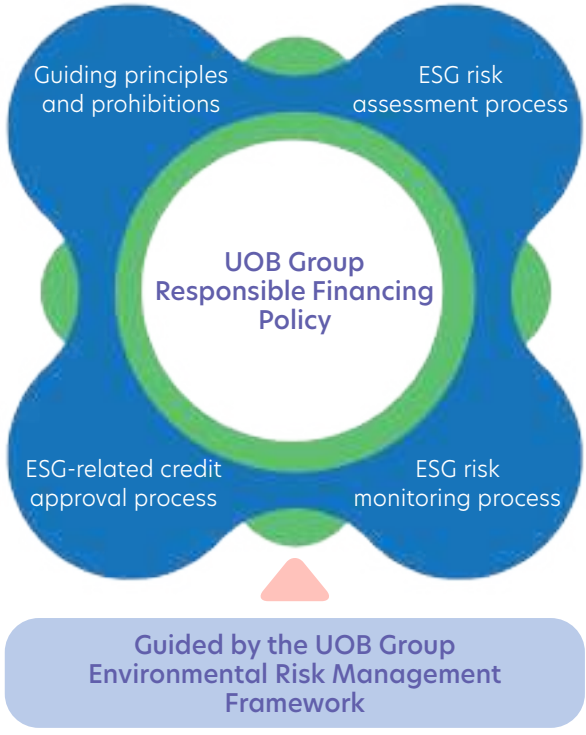
All our colleagues in relevant roles are trained on our Responsible Financing Policy and processes via mandatory training and annual capacity-building programmes.

[1]Green Investment Strategy (GIS), by Ministry of Investment, Trade and Industry (MITI)
[2]Malaysia Investment Development Authority (MIDA)

Sustainable Banking (Continued)

Spurring Climate Positive Actions through Sustainable Banking (Continued)

Responsible Financing (Continued)



In addition to the above, UOB is a signatory to the Equator Principles (EP), a risk management framework used by financial institutions globally for determining, assessing and managing environmental and social risks in projects. Hence, in alignment with UOB, we integrate EP requirements into our Responsible Financing Policy.

We operationalise responsible financing through a suite of sector specific policies. These policies set out mandatory requirements and recommendations on managing the ESG risks of our lending portfolio in areas such as human rights, labour and working conditions, pollution prevention, resource efficiency, community health and safety, as well as biodiversity conservation. These risks are applicable throughout the financing life cycle and the policies are reviewed regularly. As of 31 December 2025, all applicable borrowers underwent ESG risk assessment with relevant risks adequately managed and mitigated in line with our policy.

To further facilitate the achievement of our climate change-related commitments and targets, UOB Malaysia has:

- discontinued new financing of coal-fired power plants and ceased project financing of greenfield thermal coal mines and thermal coal mine expansion.
- committed to exit financing for the thermal coal sector by 2039.
- discontinued new financing of greenfield palm oil plantations and required all mature palm oil plantations and milling operations to be certified with locally- or internationally-recognised sustainability programmes.
- discontinued new project financing for upstream oil and gas projects approved for development after 2022.

Sustainable Banking (Continued)

Financing Businesses' Sustainable Growth

We support businesses in the transition to a low carbon economy, helping them to stay relevant and competitive for the long term. To help simplify access to sustainable financing for companies looking to build resilient businesses, we have in place sustainable finance umbrella frameworks that are aligned to internationally-recognised standards, principles and guidelines, including the Loan Market Association/Asia Pacific Loan Market Association Green Loan Principles and Sustainability Linked Loan Principles.

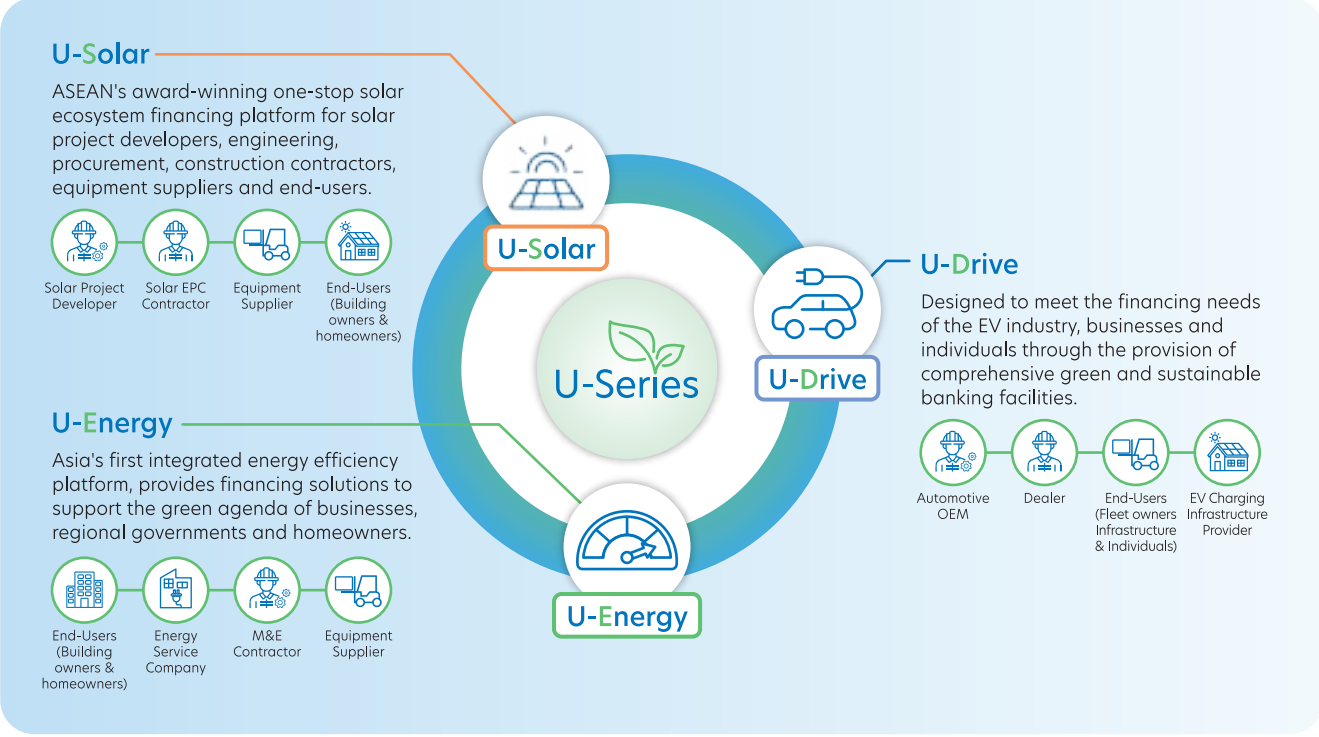
These frameworks, which obtained independent second-party opinions, set out the eligible projects or activities that qualify for green and sustainability-linked loans and bonds, trade finance and other retail banking products. The Bank is also committed to supporting the transition particularly for energy-intensive and hard-to-abate industries, through transition financing anchored upon the Bank's Transition Finance Framework.

Green Buildings Framework	Supports green building developers and owners across asset classes.
Sustainable Cities Framework	Supports green assets, projects and activities relating to the creation of sustainable and smart cities.
Circular Economy Framework	Supports green assets, projects and activities relating to the circular economy.
Sustainable Food and Agribusiness Framework	Supports food and agribusiness companies and their full spectrum of food production activities.
Sustainable Trade Finance Framework	Supports trade financing of recognised green products and industry certifications.
Transition Finance Framework	Supports the transition of energy-intensive, fossil fuels/brown and "hard-to-abate" sectors.
Sustainability-linked Finance Framework	Supports companies with financial incentives linked to achievement of sustainability targets.

Sustainable Banking (Continued)

Financing Businesses' Sustainable Growth (Continued)

Underpinned by these frameworks, we provide a suite of sustainable financing solutions, particularly ecosystem solutions designed to meet the end-to-end needs within specific sectors, to support our clients in capturing climate-related opportunities that contribute to the UN SDGs. Such solutions include:



UOB Malaysia continues to be highly committed to advancing sustainable financing as a core pillar of our sustainability agenda. In 2025, the total amount of sustainable financing extended stood at RM4.2 billion, which includes green loans, sustainability-linked loans, sustainable trade finance, and transition finance.

As of December 2025, the share of green financial assets stood at 10% (RM6.6 billion) of total wholesale banking portfolio (RM66.1 billion).

In 2025, UOB Malaysia's climate and sustainability efforts were recognised with the **Best Sustainable Bank (Malaysia, International Category)** award at the **FinanceAsia Awards**, affirming its strong commitment to sustainability, inclusive growth, and long-term value creation.



Sustainable Banking (Continued)

Client Engagement and Capacity Building

As a continuation of UOB Malaysia's persistent efforts in recent years in supporting Malaysian businesses to navigate the increasingly complex and evolving global regulatory landscape, key client capacity-building initiatives for 2025 include:

Sustainability Accelerator Programme 2.0 (SAP 2.0)

SME Sustainability Support via Strategic Partnerships



In May 2025, UOB Malaysia strengthened its support for SMEs on their sustainability journey through a strategic collaboration with Bursa Malaysia under the enhanced Sustainability Accelerator Programme 2.0 (SAP 2.0). Through this partnership, participating SMEs gain access to Bursa Malaysia's Centralised Sustainability Intelligence (CSI) Solution, enabling simplified greenhouse gas emissions reporting and supporting the adoption of effective decarbonisation measures.

This collaboration broadens the CSI ecosystem beyond listed companies to include the wider SME community, helping businesses prepare for upcoming disclosure expectations under the National Sustainability Reporting Framework. SAP 2.0 also complements the CSI partnership with additional support from Control Union and DHL Express Malaysia, reinforcing UOB's commitment to empowering SMEs and advancing a resilient, inclusive and low carbon business ecosystem across Malaysia.

Sustainable Banking (Continued)

Client Engagement and Capacity Building (Continued)

Sustainability Accelerator Programme 2.0 (SAP 2.0) (Continued)



Complimentary subscription to Bursa Malaysia's CSI Solution

Gain access to CSI Solution for calculation & reporting of GHG Emissions (Scope 1 & Scope 2).



Complimentary onboarding & training for CSI users

Includes CSI platform onboarding. ESG maturity assessment, ESG training for SMEs, and GHG emissions calculation training.



Green Certification & Assurance by Control Union

Gap Assessment & Green Certification.



U-Series Solutions by UOB

Various Energy Efficiency, Renewable Energy, EV initiatives with UOB Approved Partners.



Green Logistics Solutions by DHL Express

GoGreen Plus logistics solutions.



Sustainable Financing by UOB

Enabling businesses through sustainable, green, and transition financing.

Sustainable Banking (Continued)

Energy Efficiency Conservation Act (EECA) 2024

Proactive efforts to support SMEs into real-economy readiness



Malaysia's most comprehensive energy-efficiency legislation to date, the Energy Efficiency Conservation Act (EECA) 2024, was recently enacted to regulate the consumption and conservation of energy across industrial, commercial and designated building sectors while supporting the nation's transition toward carbon neutrality by 2050.

In anticipation of the Act taking effect, UOB Malaysia collaborated with the Malaysian Association of Registered Energy Managers & Energy Auditors (MAREMA) to hold a client engagement session alongside other strategic partners, to drive awareness of the Act, energy efficiency and its best practice ISO standards, as well as pragmatic adoption steps to help clients in their preparation towards meeting the Act. With circa 50 clients across various sectors including but not limited to manufacturing, real estate, construction, hospitality, our clients have gained clearer insights and practical steps on the pertinence of putting in place energy efficient measures for more sustainable energy management in the longer term.

Sustainable Banking (Continued)

ESG Sharing Sessions with SME Clients

Stepping stones for SMEs to embark on their ESG journey

The Bank continues to take proactive measures for frontline outreach and support for SME clients in building awareness and confidence to begin their sustainability journey. As part of these efforts, the Bank organised two ESG sharing sessions titled "Starting Small, Impacting Big – your ESG journey begins here" at UOB Malaysia's branches. With circa 40 SME clients across various sectors engaged, the sessions introduced the fundamentals of ESG and guided participants through UOB's Sustainability Compass framework, providing practical, easy-to-adopt actions to help them take their first step towards integrating sustainability into their business operations. These sessions served as meaningful entry points for SMEs to better understand regulatory expectations, stakeholder demands and emerging opportunities, while reinforcing the Bank's commitment to partnering clients in their transition toward more sustainable and resilient business models.

Technical training and guidance on GHG emissions

Over 60 SME clients were provided a comprehensive technical GHG emissions assessment and management training, which covered the GHG Protocol methodology, emissions data collection and calculation, as well as Centralised Sustainability Intelligence (CSI) workshop as part of the first onboarding cohort of the Sustainability Accelerator Programme 2.0. Technical training workshops for our clients are a testament to UOB Malaysia's beyond banking efforts to ensure we not only help our clients begin their sustainability efforts, but to also ensure we equip our clients along their sustainability journey as they mature and deepen their knowledge, capabilities, and integrate sustainability into their business operations.



Sustainable Banking (Continued)

GreenTech Accelerator Programme 2025

Real Impact for SMEs via Pilot Projects

The GreenTech Accelerator (GTA) is a six-month regional programme designed to help global GreenTech startup scale, transform, and collaborate through strategic partnerships and pilot projects that address companies' sustainability needs. Our mission is to drive sustainable innovation by connecting SMEs with GreenTech start-ups offering tailored solutions to sustainability challenges, while also building a strong ecosystem of mentorship, partnerships, and access to corporate and SME networks. The GTA focused on five key areas: carbon management, circular economy and waste management, energy efficiency, food and agriculture, sustainable cities and urban planning, and sustainability reporting.

Within the context of the GTA programme, UOB Malaysia worked closely with various partners to provide our business clients with the necessary support to decarbonise their operations, in line with our commitment towards supporting the nation's net zero aspirations. Going beyond climate change and given sufficient resources as well as conducive policies, GreenTechs and businesses can catalyse transformative progress toward achievement of ASEAN's sustainability ambitions. To date, GTA has received 186 GreenTech applications globally, with 27 challenge partners submitting 50 challenge statements. Among the many impactful initiatives, two key pilot projects from UOB Malaysia's program.

Industry Leadership in Strengthening SME Climate Resilience



The Bank continues to lead industry efforts to help SMEs navigate rising climate risks and evolving ESG requirements. Through our co chair role in the Joint Committee on Climate Change's (JC3) SME Focus Group with Bank Negara Malaysia, we coordinate with financial institutions, regulators, and solution providers to deliver practical, accessible sustainability support.

Sustainable Banking (Continued)

Industry Leadership in Strengthening SME Climate Resilience (Continued)

The inaugural JC3 SFG Climate Conference for SMEs, held on 17 November 2025 themed "Building Climate Resilience: Practical Actions for SMEs", convened over 400 participants and provided sector specific climate insights, green financing avenues, and tools such as the Enhanced ESG Jumpstart Portal and Simplified ESG Disclosure Guide. These initiatives help SMEs build the capabilities needed to manage climate impacts and meet emerging market expectations.

As part of the conference, the ESG Jumpstart Portal was re launched and fully integrated into the imSME platform, offering SMEs a more seamless user experience and improved access to ESG resources, calculators, and guides. Since this enhancement and migration to imSME, the portal has continued to gain traction, recording about 2,000 unique visitors and close to 5,000 total page views to date.

Integrating the ESG Jumpstart Portal into imSME is significant, as it embeds ESG guidance, tools, and resources within a nationally recognised digital financing and referral platform that supports micro, small and medium enterprises (MSMEs) in identifying and accessing suitable financing options. imSME, powered and managed by Credit Guarantee Corporation Malaysia Berhad (CGC), is Malaysia's first one stop online SME loan and financing referral platform, enabling SMEs to efficiently compare financing products and be matched to appropriate financial institutions. This integration enhances SMEs' preparedness for emerging sustainability related requirements while improving their ability to access relevant financial solutions.

Through sustained collaboration and targeted interventions, UOB Malaysia supports SMEs in strengthening their operational resilience and transitioning steadily toward more sustainable business practices.

Metrics and Targets

Net Zero Targets for Financed Emissions

Our net zero progress

We are committed to achieving net zero for our financed emissions by 2050, by catalysing and supporting our corporate clients' decarbonisation, and driving a just transition as we balance growth and responsibility.

Our commitment covers six focus sectors grouped into two ecosystems: energy and the built environment. This represents approximately 60 per cent of the UOB Group's corporate lending portfolio, including business lending, specialised lending (including project finance), investment securities, and underwriting of debt capital markets for corporate clients.

Recognising that climate transition cannot be homogenous across sectors or markets, especially as companies and countries will decarbonise at different speeds and face varying obstacles, sector- and market-specific realities were considered when setting targets. This aligns with UOB's commitment to a just transition and appropriately reflects the contributions of different sectors and markets that make up our Group portfolio, including Malaysia.

Energy



Power

Reduce emissions intensity by **64%** by 2030 and **98%** by 2050



Automotive

Reduce emissions intensity by **58%** by 2030 and **net zero** by 2050



Oil and gas (O&G)

No new project financing for upstream oil and gas projects approved for development after 2022

Coal

No new project financing of greenfield or expansion of coal-fired power plants and thermal coal mines; Exit financing for thermal coal sector by 2039

Built environment



Real estate

Reduce emissions intensity by **36%** by 2030 and **97%** by 2050



Construction

Reduce emissions intensity by **31%** by 2030 and **85%** by 2050



Steel

Reduce emissions intensity by **20%** by 2030 and **92%** by 2050

Metrics and Targets (Continued)

Net Zero Targets for Financed Emissions (Continued)

Our net zero progress (Continued)

These six sectors were selected based on three key considerations:

- Significance – they are among the most material and interconnected in terms of decarbonisation efforts.
- Exposure and impact - they make up the majority of our corporate lending portfolio and our financing can support the transition of our clients across these sectors when technology and solutions are commercially viable.
- Data availability and established methodology – they have available data for emissions quantification and established methodology for calculating estimates.

UOB's net zero targets are guided by credible scientific approaches that are aligned with global net zero models. In addition, we use regional pathways, where possible, that represent the contributions of our key markets, including Malaysia. We continue to monitor market and sectoral developments and will update our methodology as data quality improves. Though we have improved the quality of our reported data, there is still a high reliance on proxy data across all sectors.

To ensure alignment with global best practices, UOB examined the most relevant internationally- and regionally-recognised approaches, pathways, and guidance in setting the baseline when assessing financed emissions intensities across priority sectors an setting targets. These included:

- the Glasgow Financial Alliance for Net Zero (GFANZ), for guidance on how financial institutions should set targets and use sectoral pathways;
- the Partnership for Carbon Accounting Financials (PCAF), for data quality score guidance on what data and methodologies to use to calculate client-level GHG emissions;
- the Paris Agreement Capital Transition Assessment (PACTA), for guidance on both client-level GHG emissions calculations and aggregation of our emissions; and
- the Science Based Targets initiative (SBTi), for sector-specific target-setting guidance.

Metrics and Targets (Continued)

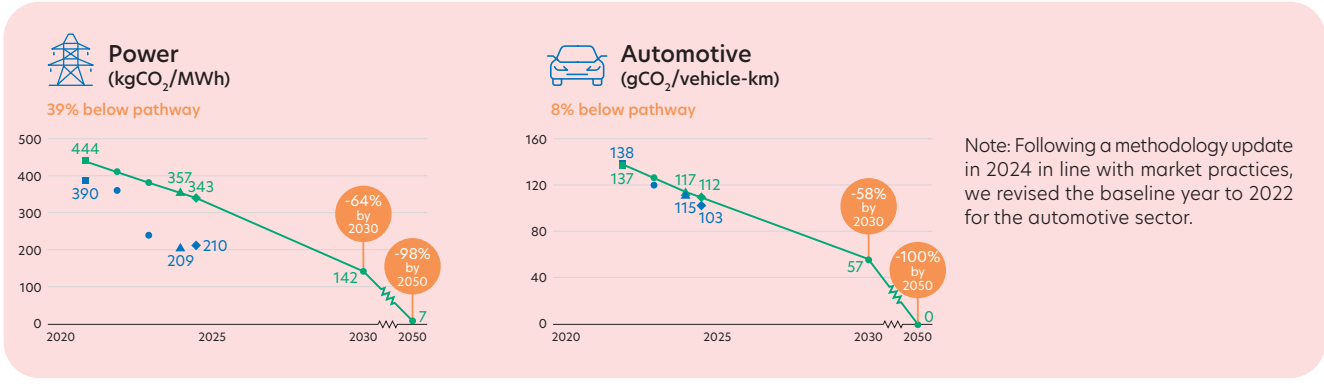
Net Zero Targets for Financed Emissions (Continued)

Our net zero progress (Continued)

Our net zero commitment and the 2025 emissions intensities for the five sectors for which UOB has set target reference pathways are as follow:

Overview of 2025 progress

This is the first year UOB Group has aligned the net zero reporting cycle to the UOB Sustainability Report cycle. Due to this change, UOB's emissions intensity data for 2024 are reported as at 31 December 2024, and for 2025, as at 30 June 2025. Moving forward, our net zero reporting period will be as at 30 June, and our performance will be assessed against the reference pathways corresponding to the reporting period.



Note: We revised our net zero reporting period to as at 30 June for 2025 onwards.

Energy Built environment

- UOB data
- 2021 (baseline) 2024 2025
- Reference pathways
  - **Power:** NGFS REMIND (regional)
  - **Automotive:** IEA NZE (global)
  - **Real estate:** CREM (regional)
  - **Construction:** NGFS GCAM (regional)
  - **Steel:** MPP Tech Moratorium (global)

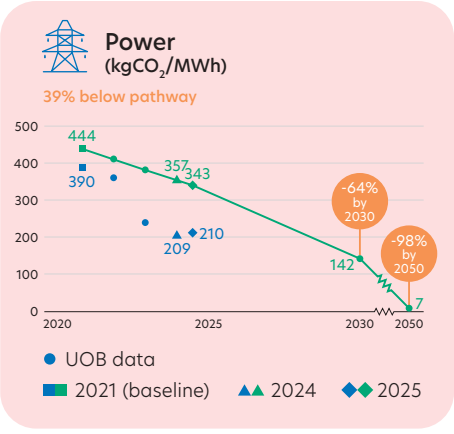
Metrics and Targets (Continued)

Net Zero Targets for Financed Emissions (Continued)

Overview of 2025 progress (Continued)

The emissions intensities for all five sectors for which we have set net zero targets remained below the reference pathways.

Power



UOB's commitment	64% reduction by 2030 (interim) and 98% by 2050	
Reference pathway	Regional – Network for Greening the Financial System Regional Model of Investment and Model Development (NGFS REMIND)	
Metric	Physical emissions intensity, measured as kilograms of CO_2 produced per megawatt hour of energy produced ($kgCO_2/MWh$)	
Value chain and emissions scope	Generation companies	Scope 1 direct emissions
	Equipment manufacturers	Scope 3 downstream emissions from power generation

Our progress and support of clients

UOB's power sector's portfolio emissions intensity in 2025 was 39 per cent below our reference pathway. Our portfolio's emissions intensity has maintained largely due to clients' ongoing efforts in shifting to lower emissions asset mix and our sustained lending to new renewable energy clients.

Over the medium term, we may see emissions intensity increase, while remaining below the reference pathway. Though the power sector continues to focus on shifting to lower carbon fuel sources, such as gas and renewables, the pace of transition needs to integrate complex considerations around energy security, affordability and infrastructure dependencies.

We continue to support energy sector clients committed to advancing decarbonisation across the power value chain. This includes power developers and generators, as well as ecosystem participants such as manufacturers, suppliers, contractors and distributors that provide the raw materials, components and equipment critical to the sector.

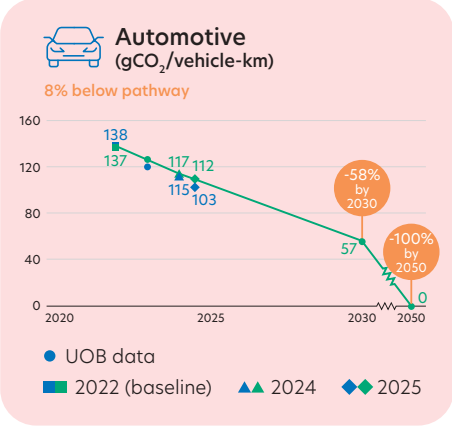
Our focus is on enabling key decarbonisation pathways, including renewable energy deployment, coal-to-gas transition and renewable export projects. In parallel, we aim to capture emerging regional opportunities by strengthening interconnectivity within ASEAN and with Greater China, particularly in the cross-border trade of renewable energy and renewable energy equipment. Collaboration across the value chain will be essential to accelerate the adoption of renewables in the region.

Metrics and Targets (Continued)

Net Zero Targets for Financed Emissions (Continued)

Overview of 2025 progress (Continued)

Automotive



UOB's commitment	58% reduction by 2030 (interim) and net zero by 2050	
Reference pathway	Global – IEA Net Zero Emissions by 2050 (NZE)	
Metric	Physical emissions intensity, measured as grams of CO_2 produced per vehicle kilometre travelled (gCO_2/vehicle-km)	
Value chain and emissions scope	Manufacturers	Scope 3 downstream emissions tailpipe emissions
	Dealers	
	Automotive financial leasing companies	

Our progress and support of clients

UOB's automotive sector's portfolio emissions intensity in 2025 was eight per cent below our reference pathway. This reduction in emissions intensity was driven primarily by an increase in green financing to the electric vehicle (EV) value chain, which continues to be a key lever in managing our financed emissions.

In the short to medium term, we expect emissions intensity to remain below the reference pathway, supported by the growing adoption of EVs in the markets where UOB operates and our ongoing efforts to expand our exposure to this segment.

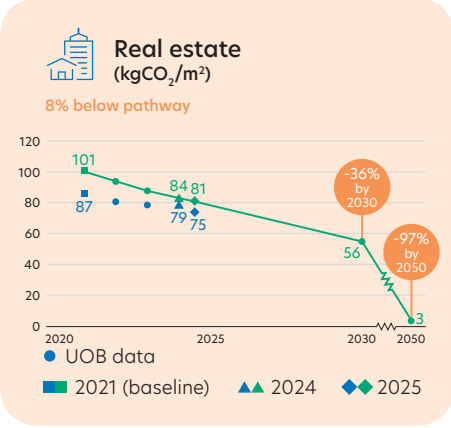
We will continue to support the decarbonisation of the EV value chain through our U-Drive solution. The solution seeks to facilitate the adoption of EVs by offering a comprehensive set of financing products and partnerships designed to support the entire EV ecosystem. These include automotive component suppliers, brand owners, dealers, charging point operators and end-users.

Metrics and Targets (Continued)

Net Zero Targets for Financed Emissions (Continued)

Overview of 2025 progress (Continued)

Real estate



UOB's commitment	36% reduction by 2030 (interim) and 97% by 2050	
Reference pathway	Regional – Carbon Risk Real Estate Monitor (CRREM)	
Metric	Physical emissions intensity, measured as kilograms of CO_2 produced per square metre of floor space ($kgCO_2/m^2$)	
Value chain and emissions scope	Investment companies	Scope 1 direct emissions Scope 2 indirect emissions
	Real estate investment trusts	
	Developers	
	Operators	

Our progress and support of clients

UOB's real estate sector's portfolio emissions intensity in 2025 was eight per cent below our reference pathway. On average, emissions intensities improved for our clients in this sector. This was mainly due to lower emissions intensities in the proxy data, driven by grid decarbonisation across major markets, and improvements in emissions data reported by our clients.

Moving forward, we expect the sector's emissions intensity to remain below the pathway in the short to medium term, driven largely by continued grid decarbonisation. Progress in building-level decarbonisation efforts, such as energy retrofits and deep operational upgrades, is expected to slow down in some countries due to ongoing industry challenges in the sector.

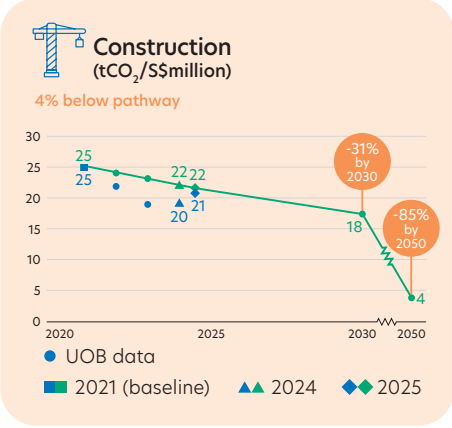
We continue to support the decarbonisation of the sector by growing our financing – through our U-Series ecosystem solutions – for the development of certified green and energy-efficient buildings, the installation of renewable energy systems and energy efficiency retrofits.

Metrics and Targets (Continued)

Net Zero Targets for Financed Emissions (Continued)

Overview of 2025 progress (Continued)

Construction



UOB's commitment	31% reduction by 2030 (interim) and 85% by 2050	
Reference pathway	Regional – NGFS Global Change Assessment Model (GCAM)	
Metric	Economic emissions intensity, measured as tonnes of CO_2 produced per S$ million in revenue (tCO_2/S$ million)	
Value chain and emissions scope	Construction companies (construction, demolition, renovation, installation)	Scope 1 direct emissions Scope 2 indirect emissions

<u>Our progress and support of clients</u>

UOB's construction sector's portfolio emissions intensity in 2025 was four per cent below our reference pathway. The slight increment over 2024 was due to an increase both in proxy emissions data and construction activities in our portfolio's key markets. However, we also observed slight improvements in client-reported emissions intensities, which were attributed to more energy efficiency measures. Looking ahead, financed emissions intensity for the sector may exceed the reference pathway in the short term. This would be driven primarily by increased construction activity in the region, together with the limited ability to adopt low carbon construction options at scale due to cost and commercial constraints.

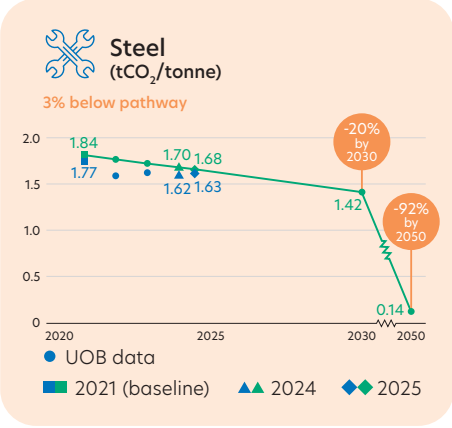
Through our sustainable financing solutions and working closely with construction and infrastructure companies, we aim to help accelerate the adoption of renewable energy and battery energy storage systems (BESS), improve energy efficiency and support the use of low carbon materials and technologies.

Metrics and Targets (Continued)

Net Zero Targets for Financed Emissions (Continued)

Overview of 2025 progress (Continued)

Steel



UOB's commitment	20% reduction by 2030 (interim) and 92% by 2050	
Reference pathway	Global – Mission Possible Partnership (MPP) Tech Moratorium	
Metric	Physical emissions intensity, measured as tonnes of CO_2 produced per tonne of crude steel made (tCO_2/tonne)	
Value chain and emissions scope	Crude steel producers	Scope 1 direct emissions Scope 2 indirect emissions
	Crude steel wholesalers	Scope 3 upstream emissions from crude steel production
	Fabricated metal producers and wholesalers	

Our progress and support of clients

UOB's steel sector's portfolio emissions intensity in 2025 remained flat at three per cent below our reference pathway, largely due to limited progress in decarbonisation technologies and minimal changes in the proxy data .

We foresee that financed emissions intensity may increase in the short term. This is due primarily to the lack of active decarbonisation levers in the steel sector in Southeast Asia. Sustained effort by the industry is required to reduce sectoral emissions in the long term, including investments in green steel production technologies and integration with renewable energy.

On a Group basis, through our sustainable finance offering, we have been facilitating the sector's shift towards using more scrap steel as feedstock and promoting the adoption of electric arc furnace (EAF) production methods. The UOB Transition Finance Framework also supports clients in developing and implementing credible transition plans, ensuring that they navigate the complexities of decarbonisation effectively and sustainably.

Oil & Gas (O&G)

Our progress and support of clients

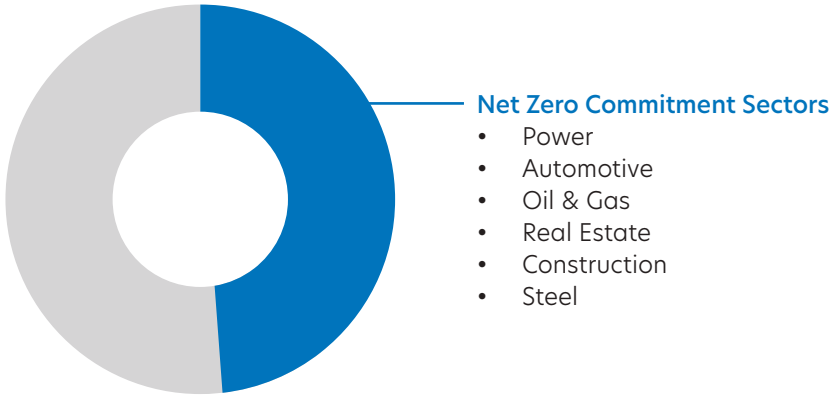
We remain committed to no new project financing for upstream O&G projects approved for development after 2022. UOB acknowledges the practical realities of decarbonisation of the O&G sector in Southeast Asia. In this regard, we seek to continue working with our clients to assess the technological and commercial viability of new energy innovations and support them through our transition finance and carbon financing solutions.

Metrics and Targets (Continued)

Net Zero Targets for Financed Emissions (Continued)

Overview of 2025 progress (Continued)

Within UOB Malaysia, the focus sectors account for approximately 47% of our Corporate Lending portfolio. To date, the Power sector has received the largest share of green financing, mostly in the form of renewable energy financing.



Given that UOB Malaysia's lending portfolio constitutes a material proportion of UOB's Group portfolio, any progress made over time in terms of furthering the decarbonisation efforts or progress of our corporate clients would directly contribute to UOB's net zero targets. As such, UOB Malaysia has devoted a significant amount of resources towards encouraging our clients to embrace sound sustainability practices, including those that address the various risks and opportunities arising from climate change impacts.

UOB Malaysia having extended total sustainable financing of RM4.2 billion in 2025, a twofold increase from RM1.9 billion in 2024, marks strong origination momentum and embedded sustainability considerations into client financing decisions. These transactions are largely tied to green projects, capital expenditure, or transition initiatives.

SME participation, remains meaningful and proportionate, indicating ongoing traction in extending sustainable financing solutions to eligible SME customers, albeit at a more gradual pace compared to larger corporates given differences in project scale, readiness, and documentation capability. The distribution of facilities by ESG framework and product type indicates that UOB Malaysia's sustainable financing is not concentrated in a single theme or product. This diversification enhances portfolio resilience and positions the bank to adapt as sustainability taxonomies and client transition strategies evolve.

Leveraging on the Bank's deep sectoral expertise and regional sustainability capabilities, UOB Malaysia has partnered with corporates, SMEs, and public-sector stakeholders to deliver innovative financing solutions aligned with national priorities, including the National Energy Transition Roadmap (NETR), New Industrial Master Plan (NIMP) 2030, and the country's net-zero ambitions. These transactions—many of which were recognised by industry bodies for excellence in sustainability innovation and impact—underscore the Bank's commitment to catalysing green investments, advancing decarbonisation pathways, and driving inclusive economic growth. The following case studies illustrate UOB Malaysia's role in enabling clients to adopt sustainable business models, scale renewable energy deployment, and strengthen environmental stewardship.

Metrics and Targets (Continued)

Net Zero Targets for Financed Emissions (Continued)

Overview of 2025 progress (Continued)

Case study (1) – Water Security

MYR300.0 million Sustainability Sukuk Wakalah for Perbadanan Bekalan Air Pulau Pinang Sdn. Bhd. (PBAPP)



Strategic Significance:

- Landmark for the state: first Penang state Government-linked issuer to execute a sustainability sukuk.
- High public-impact sustainability outcome (water security) in ensuring long-term water resilience for Penang while addressing rising demand and challenges of limited water resources and climate change, as well as broadening sustainable finance beyond carbon topics into climate adaptation and essential services.
- Won the FinanceAsia Achievement Awards 2025 for Best Islamic Finance Deal (APAC and Malaysia) for the structuring of this deal.

UOB Malaysia acted as Joint Principle Adviser, Joint Lead Arranger and Joint Lead Manager in PBAPP successful pricing of a MYR300.0 million Sustainability Sukuk Wakalah under its inaugural Sukuk Wakalah Programme of up to MYR5.0 billion, making it the first Penang state Government-Linked Company to establish both the programme and a Sustainability Sukuk Wakalah under its Sustainable Finance Framework. Proceeds will be utilised for PBAPP's Water Contingency Plan 2023 (WCP 2030), with projected capex of up to MYR2.1 billion, supporting capital and operational expenditures through eligible green and social projects.

Metrics and Targets (Continued)

Net Zero Targets for Financed Emissions (Continued)

Overview of 2025 progress (Continued)

Case study (2) - Energy Transition and Security

MYR2.76 billion Sukuk Wakalah for Pulau Indah Power Plant Sdn. Bhd. (PIPP)

Strategic Significance:

- Cornerstone investment for Selangor, contributing to Malaysia's long term energy reliability while supporting the country's transition towards a more sustainable and diversified energy mix.
- Won the Best Project Finance Sukuk in Asia 2025 for this deal from the Alpha Southeast Asia 19th Annual Deal & Solution and ESG Awards 2025.

UOB Malaysia supported Pulau Indah Power Plant Sdn. Bhd. (PIPP) in successfully completing the issuance of MYR2.76 billion Sukuk Wakalah under its Sukuk Wakalah Programme of up to MYR3.0 billion in nominal value. PIPP was established to develop and operate a 1,200MW gas-fired combined-cycle power plant located in Pulau Indah, Selangor. The project represents a strategic infrastructure investment for the State of Selangor and will also serve to support Tenaga Nasional Berhad (TNB) in strengthening Malaysia's energy security and grid resilience.

The successful transaction demonstrates strong market confidence in Selangor's economic fundamentals and the importance of large-scale energy infrastructure in supporting Malaysia's energy transition pathway. It also reflects UOB Malaysia's ongoing commitment to facilitating sustainable and critical energy infrastructure development in Malaysia.

Metrics and Targets (Continued)

Net Zero Targets for Financed Emissions (Continued)

Overview of 2025 progress (Continued)

Case study (3) - Green Digital Infrastructure and Data Centre

Syndicated MYR7.5 billion Murabahah Term Facility and USD1.7 billion Offshore Term Loan Facility for DayOne



Strategic Significance:

- Landmark green digital infrastructure financing — represents the largest syndicated financing for data centres in Asia and marks as Malaysia's first syndicated green Islamic facility.
- Reinforces Malaysia's emergence as a regional data centre hub, aligning with the nation's focus on digitalisation, foreign direct investment, and energy transition.
- Earned multiple external recognitions, including FinanceAsia Achievement Awards 2025 - Highly Commended, Best Sustainable Finance Deal (Malaysia).

UOB Malaysia played a leading role as the Joint Coordinator, Mandated Lead Arranger, Underwriter, and Bookrunner (MLAUB) and Joint Green Loan Coordinator for DayOne's landmark financing for the development of data centres in Johor with a planned total IT load of 880MW.

Metrics and Targets (Continued)

Net Zero Targets for Financed Emissions (Continued)

Overview of 2025 progress (Continued)

Case study (4) - Green Logistics and Warehousing

MYR630.0 million Tranche 1 ASEAN Green Medium Term Notes ("ASEAN Green MTNs") under ASEAN Green MTN Programme of up to MYR3.0 billion for FMM House Sdn. Bhd.



Strategic Significance:

- The success of this transaction demonstrates UOB Malaysia's execution capabilities in the MYR bond market and strong collaborations in advising and driving the momentum for the growth in green technologies for warehousing in Malaysia, to leverage technology and automated equipment to promote increase in productivity and efficiency and reduce reliance on manual labour.

UOB Malaysia led the arrangement of this landmark transaction for the issuance of up to MYR630.0 million of unrated ASEAN Green MTNs under the newly established ASEAN Green MTN Programme of up to MYR3.0 billion, where the proceeds will be utilised to finance the development of three green logistic hubs with automated warehouse management system. The Logistic Hubs have achieved pre-certified Gold certification by LEED, an internationally recognised green building rating system developed by the United States Green Building Council (USGBC).

Metrics and Targets (Continued)

Our Operational Emissions Targets and Progress

In addition to managing our financed emissions, we seek to uphold carbon neutrality for our operational footprint, a commitment we have maintained since 2021. Our carbon neutral status is supported first by the consistent implementation of energy efficiency initiatives across our facilities, and the annual procurement of high quality Renewable Energy Certificates (RECs) to match our electricity consumption. Residual emissions that cannot be eliminated are offset using carbon credits that meet internationally recognised standards, including the Gold Standard and the Verified Carbon Standard, ensuring the environmental integrity of our offsets.

In 2025, we continued to make strong progress in our decarbonisation journey through a series of impactful initiatives aimed at improving energy efficiency across our operations. Key initiatives undertaken during the year include:

- **Energy-efficiency improvements** – retrofitting another four of our branches (Bukit Mertajam, Cheras, City Square - Johor Bharu and Kota Bharu) with LED lighting. Furthermore, our Meru branch has upgraded its older heating, ventilation, and air-conditioning (HVAC) units to more energy efficient systems, reducing electricity consumption and supporting Scope 2 emissions reduction. The transition to air conditioning units that utilise the more environmentally friendly R32 refrigerant further lowered our Scope 1 fugitive emissions by decreasing the global warming potential associated with refrigerant leakage.
- **Energy-efficiency awareness** - driving energy-efficiency awareness through targeted communication initiatives, ensuring that energy-conscious practices are embedded in our operations.
- **Green fleet transition** - replaced internal combustion engine (ICE) vehicles with hybrid models to improve fuel efficiency and reduce scope 1 emissions.

Strengthening the validation of the energy efficiency initiatives implemented at our Meru branch, such as the installation of LED lighting and the replacement of older air conditioning units, the branch has been designated as a pilot site and will be the first UOB Malaysia branch to pursue Green Building certification under the GreenRE Existing Non Residential Building category. This approach reinforces our commitment to improving operational sustainability through recognized third party standards.

The Meru branch is also the first in our network to operate with an active solar photovoltaic (PV) system, with an installed capacity of 46.36 kWp. This system contributes an estimated 5%–10% reduction in electricity consumption, supporting both energy efficiency improvements and Scope 2 emissions reduction. Meru Klang was selected for this installation due to its ample rooftop space and strong solar exposure, making it an optimal site for on site renewable energy deployment.



Metrics and Targets (Continued)

Our Operational Emissions Targets and Progress (Continued)

Measuring the effectiveness of our initiatives requires consistent and accurate tracking of our emissions performance. At UOB Malaysia, we therefore measure and monitor our carbon emissions annually to gain a clear understanding of the key emission sources across our operations. Our carbon footprint assessment is carried out in accordance with the Greenhouse Gas (GHG) Protocol, covering relevant Scope 1 and Scope 2 emissions, and incorporating Scope 3 emissions where data is available. This approach ensures that our emissions reporting remains consistent, transparent, and comparable over time. The results of our emissions assessment are presented below.

Scope 1 emissions*
= 0.55 thousand tCO2e[1]

Scope 2 emissions*
= 13.25 thousand tCO2e[2] (include data centres)

Scope 3 emissions
= Air Travel – 0.23 thousand tCO2e[3];
Employee Commuting – 6.64 thousand tCO2e;
Waste Emission - 0.15 thousand tCO2e

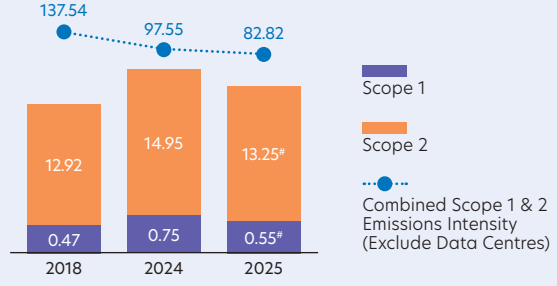
As our decarbonisation journey is an ongoing strategic priority, we have established operational decarbonisation targets to drive long term impact while balancing business growth with strong environmental commitments. This approach enables continuous emissions reduction, operational efficiency improvements, and strengthened climate leadership. We are committed to achieving the following by 2030 (excluding data centres):

- 25% reduction in combined Scope 1 and Scope 2 emissions intensity – Expanding our renewable energy sourcing, implementing additional green building initiatives and contributing to Malaysia's net zero aspiration.
- 18% reduction in energy use intensity (EUI) – Maintaining and further optimizing energy consumption efficiency across our growing operational footprint, ensuring long-term sustainability.

In 2025, our actual performance **exceeded** these targets, achieving a **40% reduction** in Scope 1 and Scope 2 emissions intensity, reaching **82.82 kgCO_2e/m²/year,** and delivering a **35% reduction in energy use intensity (EUI)** compared to the 2018 baseline.

Our accelerated emissions reduction efforts reinforce and support the Group's longer-term decarbonisation trajectory. We will review and update our targets in alignment with the Group's decarbonisation roadmap.

GHG Scope 1 and 2 Emissions (thousand tCO_2e) and GHG Emissions Intensity (kgCO_2e/m²/year)



#For FY2025, UOB Malaysia's Scope 1 and Scope 2 emissions have undergone independent verification by a third party.

[1]Scope 1 emissions include direct carbon emissions from diesel and petrol consumption for our vehicle fleet, backup diesel generators and fugitive gas emissions from refrigerants including R-22, R-32, R-134a and R410a across our operations and natural gas from our branches.

[2]We use the International Energy Agency (IEA) 2025 grid average emissions factor to calculate our location based electricity emissions. This factor was chosen because it provides a consistent, year to year dataset across all the countries in which we operate, enabling reliable comparability.

[3]Includes domestic and international air travel. We consider the impact of radiative forcing, which includes the indirect effects of non-CO2 emissions, and well-to-tank emissions resulting from the production and transportation of fuels. Data are computed using the distance-based method, in accordance to the ticket class, using data from the UK Government GHG Conversion Factors for Company Reporting version 1.1 – 2025. We have applied this methodology as fuel-based data is not currently available.

*For FY2025, UOB Malaysia's Scope 1 and Scope 2 emissions have undergone independent verification by a third party. Additional details are available in the independent assurance statement appended in this report.

Metrics and Targets (Continued)

Our Operational Emissions Targets and Progress (Continued)

In line with this, UOB Malaysia has begun formalising and disclosing its waste emissions across all branches and UOB Plaza 1 as part of our broader sustainability strategy. The Bank generates various operational waste streams including paper waste, e-waste, facilities waste, and data-centre waste—and effective management of these materials demonstrates UOB Malaysia' commitment to environmental responsibility and our sustainability leadership.

To support consistency and transparency in our reporting, UOB Malaysia currently applies the Average-Data Method, in line with recommendations under the GHG Protocol, as waste-related data is not yet comprehensively available across certain branches, with general-waste benchmarks derived from the complete monthly waste-generation records of five branches and four office buildings, while recycled-waste disclosures at this stage are drawn solely from the fully recorded dataset available for UOB Plaza 1.

Waste Treatment	Capacity (Tonnes)	Emission (thousand tCO2e)
Landfilled (General Waste)	286.43	0.1491
Recycled	55.67	0.0003
TOTAL		**0.1494**[4]

This initiative marks a significant step forward in strengthening UOB Malaysia's environmental-disclosure practices. The Bank remains committed to progressively enhancing the completeness, accuracy, and coverage of our waste-related data by improving waste-tracking and data-collection processes across all operational sites in the coming years.

[4]We have expanded Scope 3 non-financed emissions to include waste generated in operations for 2025. We have not restated 2018 to 2024 data to include waste emissions. We have applied emissions factors specific to the types of waste and methods of handling, using data from the UK Government GHG Conversion Factors for Company Reporting version 1.1 – 2025. We have applied this methodology as activity-specific data are not currently available.

Data Assurance

As part of UOB Malaysia's efforts for ongoing and progressive improvement in disclosure practices, the Bank has conducted external limited assurance for UOB Malaysia's climate-related disclosures for the first time this year, starting with two key indicators i.e. Scope 1 and Scope 2 GHG emissions. This will strengthen the robustness of the Bank's climate-related disclosures and demonstrate our commitment to best practices under the JC3 TCFD Application Guide and BNM Climate Risk Management and Scenario Analysis (CRMSA) Policy Document.

The external assurance was provided by Ernst & Young Consulting Sdn. Bhd. ("EY") in accordance to the International Standards on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements other than audits or reviews of historical financial information (ISAE 3000 (Revised)) and ISAE 3410 Assurance Engagements on Greenhouse Gas Statements (ISAE 3410).

The scope of work and conclusions can be found in the Appendix of this section.

Appendix

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Building a better working world

To the Board of Directors of United Overseas Bank (Malaysia) Bhd

Independent Limited Assurance Statement on Selected Sustainability Indicators for United Overseas Bank (Malaysia) Bhd

Scope

We have been engaged by United Overseas Bank (Malaysia) Bhd ("UOBM") to perform a 'limited assurance engagement', as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on UOBM's selected subject matters (the "Subject Matter") contained in UOBM's (the "Bank's") Annual Report as of 24 March 2026 for the financial year ended 31 December 2025 (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Subject Matter

Our limited assurance engagement was performed for the selected Subject Matter listed in the table below, as presented in the Report.

Subject Matter	Criteria	Reported Value
Greenhouse gas ("GHG") emissions Scope 1	GHG Protocol Corporate Accounting and Reporting Standard	0.55 thousand tCO_2e
GHG emissions Scope 2		13.25 thousand tCO_2e

Criteria applied by UOBM

In preparing the Subject Matter, UOBM applied GHG Protocol Corporate Accounting and Reporting Standard and UOBM's relevant policies and procedures ("Criteria").

UOBM's responsibilities

UOBM's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

1

Appendix (Continued)

Shape the future with confidence

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') and *International Standards of Assurance Engagements on Greenhouse Gas (GHG) Statements* ('ISAE 3410') (collectively referred to as the "Standards") and the terms of reference for this engagement as agreed with UOBM on 12 March 2026. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

2

Appendix (Continued)

Shape the future with confidence

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with personnel to understand the business and reporting process
- Conducted interviews with key personnel to understand the process for collecting, collating and reporting the subject matter during the reporting period
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertook analytical procedures of the data and made inquiries of management to obtain explanations for any significant differences we identified
- Identified and testing assumptions supporting calculations
- Tested, on a sample basis, underlying source information to check the accuracy of the data
- Checked that measurements made at the end of the reporting period are timely entered in the records and the Report

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to identify the Subject Matter as of 24 March 2026 for the year ended 31 December 2025, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of UOBM and is not intended to be and should not be used by anyone other than those specified parties.

Ernst & Young.

Ernst & Young Consulting Sdn. Bhd.
24 March 2026
Kuala Lumpur Malaysia

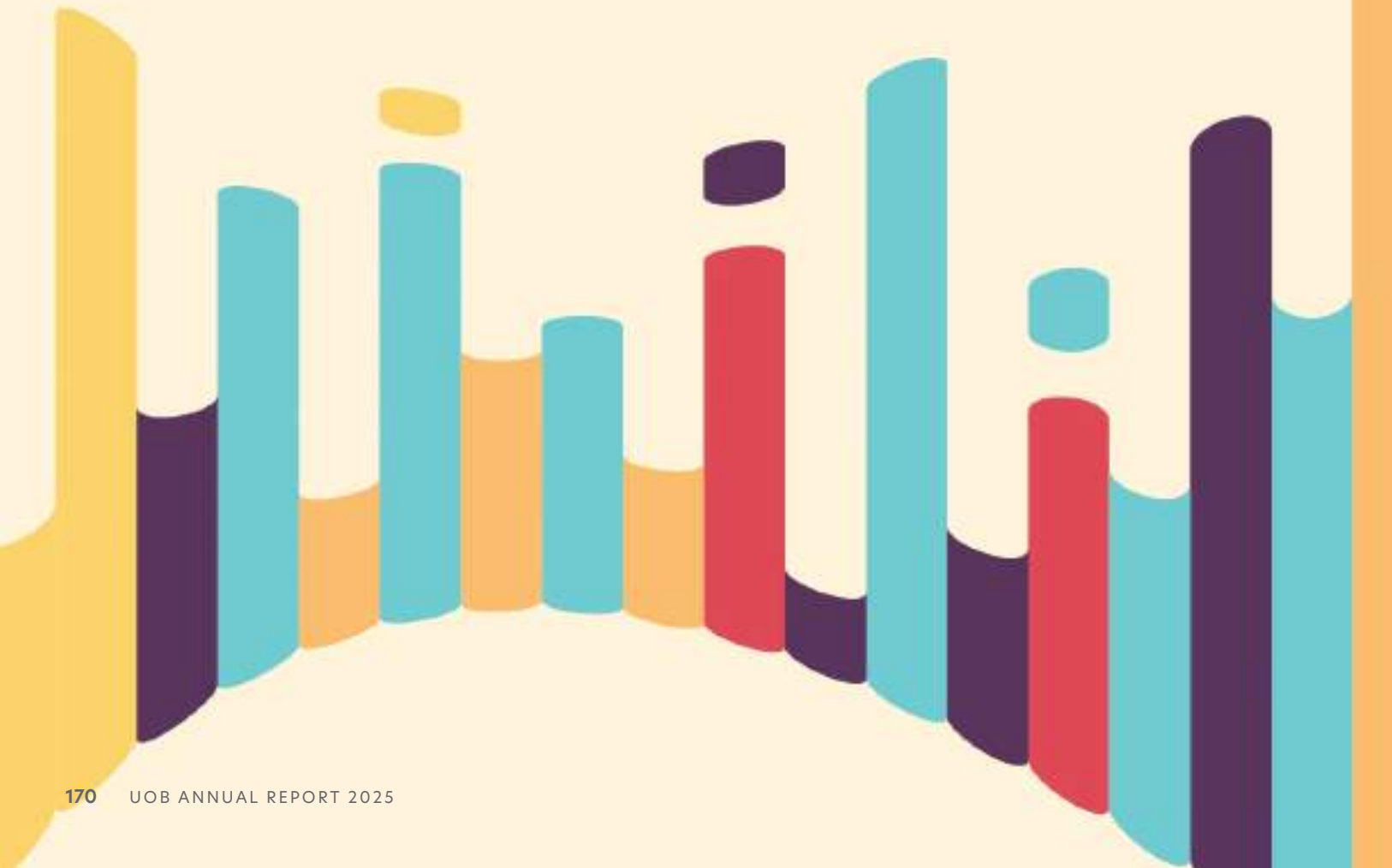
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United Overseas Bank (Malaysia) Bhd and its subsidiaries

31 December 2025

Financial Report

172 Directors' Report
181 Statement by Directors
181 Statutory Declaration
182 Shariah Committee's Report
183 Independent Auditors' Report
185 Statements of Financial Position
186 Statements of Profit or Loss
187 Statements of Comprehensive Income
188 Statements of Changes in Equity
190 Statements of Cash Flows
193 Notes to the Financial Statements





Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of United Overseas Bank (Malaysia) Bhd (UOB Malaysia or the Bank) and its subsidiaries (the Group) for the financial year ended 31 December 2025.

Principal Activities

The principal activities of the Bank are banking and related financial services, including Islamic Banking. The principal activities and other information of the subsidiaries and the associate are set out in Notes 13 and 14 to the financial statements, respectively. There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM'000	Bank RM'000
Profit before taxation	2,547,835	2,520,735
Income tax expense	(606,083)	(608,342)
Profit for the year	1,941,752	1,912,393

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Bank during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

At the forthcoming Annual General Meeting, a final single-tier dividend of 152.2 sen per share in respect of the financial year ended 31 December 2025 on 470,000,000 issued and fully paid ordinary shares, amounting to dividend payable of RM715,340,000, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders and Bank Negara Malaysia, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

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

(a) A final single-tier dividend of 195.1 sen per share amounting to RM916,970,000 in respect of the financial year ended 31 December 2024.
(b) A single-tier first interim dividend of 112.3 sen per share amounting to RM527,810,000 in respect of the financial year ended 31 December 2025.

Directors

The names of the directors of the Group and the Bank in office since the beginning of the financial year to the date of this report are:

The Bank

Chin Shoon Chong, Arthur
Ching Yew Chye
Datin Paduka Sarena Cheah Yean Tih
(appointed on 1 January 2025)
Ng Wei Wei
Tunku Alina Binti Raja Muhd Alias
Wee Ee Cheong

Subsidiaries of the Bank

Chang Yeong Gung
Fan Lee Boey
Kan Wing Yin (resigned on 23 January 2026)
Linda Tan Mei Lin
Mohamad Fazli Bin Mohamad Sarujee
(appointed on 23 January 2026)
Teo Teck Hin

Directors' Benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Bank was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Bank or any other body corporate, other than those arising from the share options granted under the UOB Share Plan (previously known as the UOB Restricted Share Plan) of the ultimate holding company, United Overseas Bank Limited (UOBL).

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Bank as shown in Note 33 to the financial statements) by reason of a contract made by the Bank or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' Benefits (Continued)

The remuneration in aggregate for Directors of the Bank and its subsidiary companies for the financial year are as follows:

	Group and Bank RM'000
Directors' fees	736
Directors' salary, bonus and other emoluments	5,814

Details of Directors' remuneration are set out in Note 33 to the financial statements.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and the officers of the Group and of the Bank are RM475,208,205 and RM358,745 respectively.

Share-Based Compensation Plans

The share-based compensation of the UOBL Group consists of the UOB Restricted Share (RS) Plan.

As approved by shareholders of UOBL at the Annual General Meeting on 21 April 2016, the UOB RS Plan shall be in force up to (and including) 6 August 2027. The UOB RS Plan only allows the delivery of UOBL ordinary shares held as treasury shares by UOBL.

Under the Total Compensation Framework approved by the Remuneration and Human Capital Committee (RHCC), a portion of variable pay for employees in senior grades, material risk takers and material risk personnel is deferred as restricted shares (RS) under the UOBL RS Plan. Such deferred RS vest over a minimum three-year period, subject to local regulatory requirements, and the fair value of the RS are computed using market value and with it, dividends on unvested RS awards are accrued to participating employees at the same rate as those declared on ordinary shares.

Participating employees who leave the UOBL Group before the RS vest will forfeit their rights unless otherwise decided by the RHCC.

At the Annual General Meeting on 21 April 2022, the UOB RS Plan was approved by shareholders to be renamed as the UOB Share Plan and to allow for eligible non-executive directors to be granted share awards in the form of UOB ordinary shares under the UOB Share Plan.

Directors' Interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Bank and its related companies during the financial year were as follows:

		Number of ordinary shares				
		1.1.2025	Acquired	Disposed	Forfeited	31.12.2025
Ultimate holding company: UOBL						
Wee Ee Cheong	- Direct	5,668,929	450,000	-	-	6,118,929
	- Indirect	173,701,487	-	-	-	173,701,487
Ng Wei Wei	- Indirect	15,572	8,425	-	-	23,997
Ching Yew Chye	- Direct	38,536	-	-	-	38,536
Tunku Alina Binti Raja Muhd Alias	- Direct	100	-	-	-	100

Directors' Interests (Continued)

		Number of options over ordinary shares under UOB Share Plan				
		1.1.2025	Granted	Vested	Forfeited	31.12.2025
Ultimate holding company: UOBL						
Ng Wei Wei	- Direct	28,533	13,642	(8,425)	-	33,750

Wee Ee Cheong by virtue of his substantial interest in the shares of UOBL is also deemed to have substantial interest in shares of the Bank and all the Bank's subsidiaries to the extent the Bank has an interest.

Other than the above, no other directors in office at the end of the financial year had any interests in shares and share options in the Bank or its related companies during the financial year.

Holding Companies

The holding and ultimate holding companies of the Bank are Chung Khiaw (Malaysia) Berhad, a company incorporated in Malaysia, and UOBL, a bank incorporated in Singapore and listed on the Singapore Exchange, respectively.

Strategy and Performance for the Financial Year Ended 31 December 2025

The global economy in 2025 turned out to be more robust than expected, amid heightened trade volatility and geopolitical uncertainties. Inflation remained contained, aided by soft commodity prices and competitive regional supply dynamics. These factors collectively supported export-led economies, including Malaysia, and reinforced confidence in regional growth prospects.

UOB Malaysia delivered another strong set of results in 2025, driven by broad-based growth, prudent credit management, disciplined cost control, and an unwavering commitment to responsible financing and robust risk governance. The Bank's strong credit standing, and stable outlook were reaffirmed by its 'AAA' rating from Rating Agency Malaysia, a distinction it has proudly maintained since 2012.

In 2025, UOB Malaysia continued to strengthen its brand and market presence by delivering meaningful value to customers across our retail and wholesale segments. Our approach remained anchored in customer centricity, digital innovation and sustainable growth, ensuring that our solutions adapt to the evolving needs of individuals, businesses and communities.

In line with Malaysia's role as ASEAN Chair in 2025, UOB continued to advance regional cooperation by supporting platforms that promote inclusive and sustainable economic development. This included our role as the main sponsor of the ASEAN Women Economic Summit 2025, one of the Ministry of Investment, Trade and Industry of Malaysia (MITI)'s flagship programmes for the year, that convened government leaders, business and the public to strengthen women's economic empowerment across the region. The summit highlighted the importance of enabling women to participate fully in ASEAN's economic progress, an agenda that aligns with our support for entrepreneurship, digitalisation and leadership development for women.

UOB Group commemorated its 90th anniversary in Malaysia with the *Right By You: The UOB Story* exhibition at UOB Gallery, UOB Plaza 1 Kuala Lumpur, highlighting the Bank's heritage, milestones and contributions across Malaysia and the wider ASEAN region. The showcase demonstrates our longstanding presence in Malaysia and the integral role the market plays within the Group's regional footprint. Complementing these celebrations, the bonsai displayed at the Bank's headquarters symbolises UOB's disciplined and long-term growth philosophy, reflecting our belief in cultivating sustainable progress in tandem with the markets and communities we serve.

Strategy and Performance for the Financial Year Ended 31 December 2025 (Continued)

Deepening its connection to the city, UOB Malaysia also unveiled the rebranded Bandaraya – UOB LRT Station, a key interchange that serves more than one million commuters weekly and reflects the Bank's commitment to enhancing urban mobility, sustainability and community engagement in the heart of Kuala Lumpur.

We advanced our retail franchise by expanding our customer base and broadening our suite of offerings, guided by a clear customer value proposition focused on relevance, simplicity and personalisation. We strengthened our lifestyle and card solutions to meet evolving expectations, while our enhanced wealth management advisory, supported by deeper bancassurance partnerships, enabled us to deliver more tailored, insight driven financial guidance. Collectively, these developments underscore our commitment to making banking simpler, smarter and more personalised for every customer.

Wholesale banking continued to play a vital role in supporting Malaysia's economic progress. We contributed to the nation's growth by facilitating foreign direct investments (FDIs) and supporting development projects through strategic ecosystem partnerships, particularly in key economic corridors and priority sectors that reinforce Malaysia's role as a gateway to ASEAN. Sustainability remained a priority, and we worked closely with regulators and industry partners to promote climate awareness and equip businesses with practical tools to support their transition towards more sustainable practices.

Our progress in 2025 was guided by our commitment to serving customers, which helped build confidence in the direction we are taking. UOB Malaysia received several notable industry recognitions, including Best Bank in Malaysia by Global Finance, Malaysia's Best Bank for Consumers by Euromoney, and Best Bank and Best Sustainable Bank in Malaysia (in the international category) by FinanceAsia. These acknowledgements reflect our customers' trust in us and affirm our commitment to continuous improvement and responsible growth.

Connecting businesses to opportunities within and across ASEAN

In 2025, we strengthened our role as a catalyst for regional connectivity, helping businesses seize opportunities within and across ASEAN. Leveraging Malaysia as 2025 ASEAN Chair, we deepened strategic collaborations with federal and state government ministries, agencies, and industry bodies to attract FDIs, promote sustainable development, and enable cross-border growth.

Last year, we forged a partnership with Invest Johor to advance the Johor-Singapore Special Economic Zone (JS-SEZ). This year, we introduced initiatives such as the UOB-Invest Johor Green Lane to fast-track investments into the zone. We also introduced a Fast Lane Account Opening service for global companies expanding into the zone and established dedicated JS-SEZ Desks in Johor and Singapore to provide swift support on financial solutions, account opening, and market entry.

Leveraging our regional connectivity and cross border network, we conducted a series of high-level engagements in Malaysia and Singapore to attract strategic investments and expand opportunities within the JS-SEZ. These included senior level networking platforms designed to strengthen collaboration between key stakeholders from both countries, as well as targeted discussions with multinational companies on potential investment prospects.

We also broadened our outreach to partners in global markets including the United States, Europe and Asia. Working with government agencies and business chambers, both local and abroad, we facilitated engagements with delegations from major global companies to showcase the advantages of operating in Malaysia and the JS-SEZ. Through these efforts, we helped position the zone as a compelling destination for high-quality, long-term investments.

Complementing this agenda, our participation in one of Southeast Asia's largest syndicated green Islamic facilities for a major anchor data centre project in JS-SEZ showcased our Islamic banking capabilities and demonstrated our commitment to enabling digital infrastructure and sustainability within the zone.

Strategy and Performance for the Financial Year Ended 31 December 2025 (Continued)

Connecting businesses to opportunities within and across ASEAN (Continued)

In Penang, we supported the state's water corporation in raising capital through its maiden Sukuk programme. This initiative advances sustainable infrastructure financing for critical projects under the Water Contingency Plan 2030 to ensure long-term water security for the community.

In Selangor, we formed a new collaboration with Invest Selangor to promote high-value sectors aligned with Malaysia's New Industrial Master Plan 2030 and Rancangan Selangor. Separately, we provided green financing for a logistics hub in Klang, Selangor to strengthen regional trade connectivity through sustainable logistics hubs and support efficient cross-border movement of goods.

We strengthened our support for enterprise growth by signing a tri-partite Memoranda of Understanding (MoUs) with the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) and the Singapore Chinese Chamber of Commerce and Industry (SCCCI), as well as the Federation of Malaysian Manufacturing (FMM) and the Singapore Manufacturing Federation (SMF). These strategic partnerships help small and medium-sized enterprises (SMEs) expand regionally, enter new markets, and strengthen their roles in global supply chains. The MoUs connect local businesses with multinationals in major economic areas like the JS-SEZ, promoting broader participation in ASEAN's growth.

Personalising solutions that are closely aligned with customer needs

In 2025, UOB Malaysia's retail franchise continued to build and harness synergies from its enlarged portfolio. Guided by our personalisation strategy, we expanded our business partner ecosystem and delivered exclusive financial offerings and lifestyle privileges to a broader customer base in Malaysia.

This year, our continued partnership with the MICHELIN Guide Malaysia focused on delivering premium dining experiences and strengthening engagement with affluent customers. We expanded our card portfolio with improved propositions and elevated rewards, especially in dining. Our enhanced rewards and redemption programme continues to reinforce our position as the bank of choice for affluent and emerging affluent customers.

We leveraged our regional strengths to provide bespoke financial solutions and curated lifestyle offerings for affluent customers. The improved UOB TMRW app enhanced digital wealth management, making investments easier. We hosted exclusive forums in several cities, giving Privilege and Private Banking clients insights into market trends and strategies. Selected customers also joined the Prestige Women of Power 2025 Summit, connecting with Malaysia's influential women leaders.

In 2025, the Bank continued to focus on elevating service excellence and delivering meaningful experiences across all customer touchpoints. Our commitment to innovative, customer-centric solutions was reflected in several recognitions – such as Best International Retail Bank of the Year from the Asian Banking & Finance, a title we have held since 2021. These recognitions acknowledged the quality of our products and services, including our UOB TMRW mobile banking app, and reinforce our commitment to continuously improving and creating value for our customers.

Strategy and Performance for the Financial Year Ended 31 December 2025 (Continued)

Forging a sustainable future

Helping businesses advance responsibly

UOB Malaysia is helping clients stay competitive as supply chains shift towards sustainability. As co-chair of the SME Focus Group under BNM's Joint Committee on Climate Change, we co-hosted the inaugural Climate Conference for SMEs 2025 with BNM, providing practical tools and information to over 400 participants across the SME ecosystem.

We became Malaysia's first bank to partner with Bursa Malaysia, supporting SMEs through our expanded Sustainability Accelerator Programme (SAP) 2.0. This gives clients access to Bursa Malaysia's Centralised Sustainability Intelligence solution for easier emissions calculations and decarbonisation initiatives. We also advanced sustainable property development in key areas like JS-SEZ, Penang, and Klang Valley, guided by UOB's Sustainable Finance Frameworks. Our innovative financing, such as the ASEAN Green SRI Sukuk Musharakah, mobilises capital for green projects, reflecting our dedication to long-term value and a sustainable future for Malaysia.

Doing right by our communities

Aligned with our purpose of Building the Future of ASEAN, we remain committed to creating meaningful community impact through initiatives focused on children, education and the arts. Since its launch in Malaysia in 2009, our annual UOB Heartbeat corporate social responsibility (CSR) initiative has touched the lives of thousands of individuals from underserved communities, supported by the collective efforts of our employees, customers and partners.

Funds raised from UOB Heartbeat in 2025 supported four beneficiaries: PINTAR Foundation, Food Aid Foundation, HOPE Worldwide Malaysia, and SOLS Foundation. These programmes will continue to promote digital literacy, education, and arts-based learning for underserved communities in 2026.

Through our partnership with SOLS Foundation, UOB Malaysia sponsored underprivileged students at SOLS Academy, helping them pursue careers in the solar industry. Employees provided mentoring, career guidance, and financial literacy workshops for future employment in the green economy.

We also worked to improve living conditions in remote Orang Asli communities by expanding access to clean energy and installing solar solutions at a Penang children's welfare organisation. Our team volunteered a total of more than 21,000 hours in 2025.

As a leading patron of the arts, UOB Malaysia continued to champion local talent and elevate Malaysian creativity on the regional and global stage. The 15th UOB Painting of the Year (Malaysia) celebrated outstanding artistic expression, with the top prize awarded to the creator of *Rumah Kita* (Our Home). The winning artist went on to represent Malaysia at the regional competition in Singapore and was subsequently selected for the 2026 UOB-NAFA Residency at the *Cité internationale des arts* in Paris, further showcasing Malaysian artistry on an international platform.

In December 2025, our Singapore headquarters became a regional platform to showcase the creativity of ASEAN artists, featuring immersive projection displays of winning artworks from Malaysia alongside works from other artists across the region. The inclusion of four Malaysian pieces showcased our commitment to promoting homegrown talent and elevating the country's artistic voice across Southeast Asia's creative landscape.

Strategy and Performance for the Financial Year Ended 31 December 2025 (Continued)

Forging a sustainable future (Continued)

Empowering our people the UOB Way

At UOB Malaysia, we recognise that our people are the foundation of our identity and culture. Guided by our Care, Growth and Trust value propositions, we deepened our commitment to cultivating a workplace that fosters growth, broadens opportunities, and embraces diversity. In 2025, we strengthened our commitment to employee wellbeing by expanding a comprehensive suite of initiatives that support the mental, physical, financial and social health of our workforce exceeding 6,000 employees. This included new resources such as targeted health programmes, complimentary screenings and accessible vaccination options, alongside financial literacy initiatives delivered in collaboration with national agencies and subject matter experts.

We assisted employees' families with our Education Support Scheme, offering financial aid to children with notable academic achievements. Long-term care included banking privileges and essential protections for retirees, ensuring ongoing support throughout employees' lives.

Supporting the Bank's diversity, equity and inclusion (DEI) agenda, we advanced initiatives that promote an inclusive workplace culture for all employees. We also continued to enhance employee engagement and leadership exposure through workplace connection initiatives and the CEO Leadership Chat series, which provides employees with access to diverse perspectives from experienced industry leaders.

One of UOB Malaysia's key milestones this year was the launch of the UOB Better U Campus at 1Powerhouse, Petaling Jaya, Selangor. The campus reinforces our commitment to investing in our people by making learning more accessible, engaging and future-focused, supporting both our immediate needs and long-term development. Complementing this, we also introduced an internal mobility programme that provides a structured pathway for employees to upskill and transition into emerging roles. This initiative equips our people with the capabilities needed to stay ahead in a rapidly evolving environment.

We remain committed to building a future-ready workforce, in collaborations with organisations like the Asian Institute of Chartered Bankers and the Asian Banking School. Our Management Associate Programme and internship pathways offer structured development and clear career paths for young professionals and students. These initiatives strengthen leadership readiness and support workforce sustainability.

Outlook

Looking ahead to 2026, global conditions are expected to remain broadly stable, supported by shifting growth drivers across advanced and developing economies. The operating environment continues to be shaped by elevated risks including the escalation of conflict in the Middle East, potential tariff changes, higher inflation pressures, broader geopolitical developments and ongoing financial market volatility. These factors are expected to be partly mitigated by continued policy support and a more moderate impact from earlier trade measures, helping to maintain overall stability in the operating environment.

Malaysia is poised to maintain a positive growth trajectory, anchored by resilient domestic demand, a stable labour market and steady investment flows. Ongoing initiatives to enhance economic complexity and value-added activities will strengthen regional competitiveness and unlock growth across key strategic corridors, including the Northern Corridor, JS-SEZ, Selangor's connectivity and infrastructure network, and Sarawak's emerging renewable energy hub. The upcoming Visit Malaysia Year 2026 is expected to boost tourism, while continued structural reforms will reinforce long-term economic resilience. While prudence remains warranted amid ongoing uncertainties, Malaysia's economy continues to be underpinned by diversified growth drivers, strong institutional capabilities, robust energy infrastructure, improving fundamentals and proactive policy measures.

Rating by External Rating Agencies

Rating Agency Malaysia (RAM) has reaffirmed the Bank AAA/Stable/P1 financial institution ratings (FIR) as well as the ratings of its debt instruments below, for its sturdy credit metrics, healthy funding and liquidity profile, and robust capitalisation.

United Overseas Bank (Malaysia) Bhd's issue ratings

No.	Debt instruments issued by the Bank	Ratings
1	RM8 billion Medium Term Notes Programme: Tier-2 Subordinated Notes (2022/2032)	AA1/Stable
2	RM5 billion Islamic Medium Term Notes and/or Senior Islamic Medium Term Notes Programme: Tier-2 Subordinated Notes (2024/2034)	AA1/Stable
3	RM5 billion Islamic Medium Term Notes and/or Senior Islamic Medium Term Notes Programme: Tier-2 Subordinated Notes (2025/2037)	AA1/Stable

RAM defines that a financial institution rated AAA has a superior capacity to meet its financial obligations, this is the highest long-term FIR assigned by RAM. A financial institution rated P1 has a strong capacity to meet its short-term financial obligations, this is the highest short-term FIR assigned by RAM. An issue rated AA has high safety for payment of financial obligations. The issuer is resilient against adverse changes in circumstances, economic conditions and/or operating environments. The subscript 1 indicates that the rank is at the higher end of its generic rating category.

Other Statutory Information

(a) Before the statements of financial position, statements of profit or loss and statements of comprehensive income of the Group and the Bank were made out, 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 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 realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) 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; and

(ii) the values attributed to current assets in the financial statements of the Group and the Bank misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Bank misleading or inappropriate.

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

Other Statutory Information (Continued)

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group and the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and the Bank which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and the Bank.

(f) In the opinion of the directors:

(i) 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 when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and the Bank for the financial year in which this report is made.

Significant and Subsequent Events

No significant or subsequent events were noted for the financial year ended 31 December 2025.

Auditors and Auditors' Remuneration

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration for the Group and the Bank amounting to RM1,553,000 and RM1,508,000 respectively are disclosed in Note 32 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated on 30 March 2026.

Ching Yew Chye
Chairman

Ng Wei Wei
Managing Director

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Ching Yew Chye and Ng Wei Wei, being two of the directors of United Overseas Bank (Malaysia) Bhd, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 185 to 335 are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated on 30 March 2026.

Ching Yew Chye
Chairman

Ng Wei Wei
Managing Director

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Ng Wei Wei, being the director primarily responsible for the financial management of United Overseas Bank (Malaysia) Bhd, do solemnly and sincerely declare that the accompanying financial statements set out on pages 185 to 335 are in my opinion 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 Ng Wei Wei at Kuala Lumpur in the Federal Territory on 30 March 2026.

Ng Wei Wei

Before me,

Shariah Committee's Report

In the name of Allah, the Most Beneficent, the Most Merciful

"O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent" [4:29]

In compliance with our letter of appointment, we submit the following report:

We, the members of United Overseas Bank (Malaysia) Bhd (the Bank)'s Shariah Committee, are responsible for the oversight of Shariah matters related to the Bank's Islamic banking business, operations and activities. Although the Board of Directors are ultimately responsible and accountable for all Shariah matters within the Bank, they rely on our independent advice on the same. In turn, the Bank's management is responsible for ensuring that the Bank conducts its Islamic banking business in accordance with the Shariah rules and principles. It is our responsibility to form independent opinions, based on our review of the operations of the Bank's Islamic banking business, and to report to the Board of Directors and Bank Negara Malaysia accordingly.

Throughout the financial year ended 31 December 2025, we have concluded nine (9) scheduled meetings and three (3) special meetings to review the Bank's various Shariah product structures and documentations, transactions, services and operations. In the course of our meetings, we reviewed the Bank's existing range of Shariah products. We have also provided Shariah opinions on various matters relating to the Bank's Islamic banking business and operations, and assessed the reviews conducted by the Shariah officers to form an opinion as to whether the Bank has complied with the Shariah rulings, resolutions and guidelines issued by the Shariah Committee and the Shariah Advisory Council of Bank Negara Malaysia when carrying Islamic banking business.

We have assessed and endorsed the works carried out by the Shariah Review, Shariah Risk Management and Shariah Audit teams in examining the relevant documentation and procedures adopted by the Bank in carrying out its Islamic banking business. We are satisfied that the reviews and audits were properly planned and performed to deliver key information and provided us with sufficient evidence to give reasonable assurance that the Bank has not violated any Shariah principles which could have resulted in a material Shariah non-compliant event in carrying its Islamic banking business.

We have also reviewed the audited financial statements of the Bank's Islamic banking business for the financial year and confirmed that the financial statements are in compliance with Shariah principles.

Based on the above, in our opinion:

(i) The Bank's Islamic banking products, legal documents and processes that we approved during the financial year ended 31 December 2025 are in compliance with the Shariah rules and principles;

(ii) The Bank's Islamic banking transactions and dealings carried out in the financial year ended 31 December 2025 are in compliance with the Shariah rules and principles;

(iii) The Bank's sources of Islamic banking income during the financial year ended 31 December 2025 are in compliance with the Shariah rules and principles;

(iv) There was no material Shariah non-compliant (SNC) event reported during the financial year ended 31 December 2025;

(v) The Bank has maintained sufficient internal policies, frameworks, manuals and operating procedures to ensure compliance with the Shariah rules and principles when carrying out its Islamic banking business;

(vi) The Bank has taken sufficient and proactive steps in ensuring the competency of its employees through training programmes and various learning tools; and

(vii) No disclosure on zakat payment as it is not applicable to the Bank.

To the best of our knowledge and based on the information provided to us, we hereby confirm that the Bank's Islamic banking business, operations and activities for the financial year ended 31 December 2025 are in conformity with the Shariah rules and principles. Nothing has come to the Shariah Committee's attention that causes the Shariah Committee to believe that the operations, business, affairs and activities of the Bank involve any material Shariah non-compliances. Allah knows best.

Dr Muhammad Pisol
Bin Mohd @ Mat Isa

Interim Chairman,
Shariah Committee

Prof. Dr. Noraini
Binti Mohd Ariffin

Member,
Shariah Committee

Kuala Lumpur, Malaysia
Date: 30 March 2026

Independent Auditors' Report

to the Members of United Overseas Bank (Malaysia) Bhd
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Overseas Bank (Malaysia) Bhd, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Bank, and statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 185 to 335.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 audit 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 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.

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 the annual report, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditor's report.

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Bank and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Bank are responsible for the preparation of financial statements of the Group and of the Bank that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting 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.

Independent Auditors' Report (Continued)

to the Members of United Overseas Bank (Malaysia) Bhd (Continued)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Continued)

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:

- 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.

- 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 the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- 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 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.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

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.

Ernst & Young PLT
202006000003
(LLP0022760-LCA) & AF 0039
Chartered Accountants

Yeo Beng Yean
No. 03013/10/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
Date: 30 March 2026

Statements of Financial Position

As at 31 December 2025

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Cash and short-term funds	3	**4,832,375**	6,489,396	**4,832,375**	6,489,396
Deposits and placements with financial institutions	4	**349,939**	99,943	**349,939**	99,943
Securities purchased under resale agreements	5	**1,167,747**	974,044	**1,167,747**	974,044
Financial assets at fair value through profit or loss (FVTPL)	6	**7,223,742**	6,306,246	**7,223,742**	6,306,246
Debt instruments at fair value through other comprehensive income (FVOCI)	7	**22,134,246**	16,407,312	**22,134,246**	16,407,312
Equity instruments at fair value through other comprehensive income (FVOCI)	8	**159,824**	174,161	**159,824**	174,161
Debt instruments at amortised cost	9	**9,902,398**	9,958,972	**9,902,398**	9,958,972
Other assets	10	**2,035,470**	1,965,565	**2,047,480**	1,979,739
Derivative financial assets	25	**2,301,775**	1,305,213	**2,301,775**	1,305,213
Loans, advances and financing	11	**110,204,144**	107,097,437	**110,594,779**	107,397,066
Statutory deposits with Bank Negara Malaysia	12	**828,000**	1,610,000	**828,000**	1,610,000
Investment in subsidiaries	13	**-**	-	**270,020**	350,020
Investment in an associate	14	**418**	418	**4,758**	4,758
Property, plant and equipment	15	**1,477,758**	1,420,049	**671,313**	674,137
Right-of-use assets	16	**67,467**	90,977	**574,785**	492,741
Intangible assets	17	**440,074**	453,174	**440,074**	453,174
Deferred tax assets	18	**374,506**	390,844	**365,268**	381,222
Total assets		**163,499,883**	154,743,751	**163,868,523**	155,058,144
Liabilities					
Deposits from customers	19	**121,308,891**	114,585,585	**121,325,852**	114,604,083
Deposits and placements of banks and other financial institutions	20	**15,337,541**	14,632,820	**15,337,561**	14,632,840
Obligations on securities sold under repurchase agreements	5	**1,632,552**	1,973,281	**1,632,552**	1,973,281
Bills and acceptances payable		**206,992**	230,992	**206,992**	230,992
Other liabilities	21	**4,407,576**	4,527,486	**4,398,405**	4,506,958
Derivative financial liabilities	25	**2,576,589**	1,360,345	**2,576,589**	1,360,345
Tax payable		**32,809**	37,101	**34,021**	37,611
Lease liabilities	16	**76,402**	98,910	**637,606**	529,799
Subordinated bonds/sukuk	22	**2,250,000**	2,249,352	**2,250,000**	2,249,352
Deferred tax liabilities	18	**38,565**	27,090	**-**	-
Total liabilities		**147,867,917**	139,722,962	**148,399,578**	140,125,261
Equity attributable to equity holders of the Bank					
Share capital	23	**792,555**	792,555	**792,555**	792,555
Reserves	24	**14,839,411**	14,228,234	**14,676,390**	14,140,328
Total equity		**15,631,966**	15,020,789	**15,468,945**	14,932,883
Total liabilities and equity		**163,499,883**	154,743,751	**163,868,523**	155,058,144
Commitments and contingencies	39	**392,097,027**	301,507,229	**392,183,127**	301,684,329

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss

For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Operating revenue	28	**9,243,721**	9,216,621	**9,259,050**	9,226,065
Interest income	29	**6,654,464**	6,750,435	**6,671,383**	6,765,515
Interest expense	30	**(3,567,091)**	(3,846,018)	**(3,588,595)**	(3,863,602)
Net interest income		**3,087,373**	2,904,417	**3,082,788**	2,901,913
Net income from Islamic Banking operations	47	**214,054**	194,959	**214,054**	194,959
Other operating income	31	**1,622,045**	1,609,379	**1,619,217**	1,603,817
Operating income		**4,923,472**	4,708,755	**4,916,059**	4,700,689
Other operating expenses	32	**(2,347,403)**	(2,356,452)	**(2,346,712)**	(2,349,009)
Operating profit before allowance for expected credit losses (ECL)		**2,576,069**	2,352,303	**2,569,347**	2,351,680
(Allowance for)/write-back of ECL on:					
- Loans, advances and financing	11(vii),34	**(68,395)**	(159,353)	**(68,339)**	(159,908)
- Other financial assets	34	**6,394**	17,700	**6,414**	17,674
- Commitments and contingencies	21(a),34	**13,313**	(17,045)	**13,313**	(17,045)
Write-back of property, plant and equipment	15	**20,454**	10,889	**-**	-
Profit before taxation		**2,547,835**	2,204,494	**2,520,735**	2,192,401
Income tax expense	35	**(606,083)**	(527,344)	**(608,342)**	(524,994)
Profit for the year attributable to equity holders of the Bank		**1,941,752**	1,677,150	**1,912,393**	1,667,407
Basic/diluted earnings per share (sen)	36	**413.1**	356.8		
Dividend per share (sen)	37	**264.5**	195.1		

The accompanying notes form an integral part of the financial statements.

Statements of Comprehensive Income

For the financial year ended 31 December 2025

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the year		**1,941,752**	1,677,150	**1,912,393**	1,667,407
Other comprehensive income:					
Items that may be reclassified subsequently to statements of profit or loss:					
Net fair value changes in debt instruments at FVOCI		**103,354**	61,269	**103,354**	61,269
Income tax effect	18	**(24,805)**	(15,135)	**(24,805)**	(15,135)
		78,549	46,134	**78,549**	46,134
Items that will not be reclassified subsequently to statements of profit or loss:					
Net fair value changes in equity instruments at FVOCI		**(14,340)**	(44,033)	**(14,340)**	(44,033)
Transfer upon disposal of equity instruments at FVOCI		**798**	-	**798**	-
Revaluation of land and buildings	15	**60,205**	-	**-**	-
Income tax effect	18	**(11,007)**	10,568	**3,442**	10,568
		35,656	(33,465)	**(10,100)**	(33,465)
Other comprehensive income for the year, net of tax		**114,205**	12,669	**68,449**	12,669
Total comprehensive income for the year attributable to equity holders		**2,055,957**	1,689,819	**1,980,842**	1,680,076

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2025

Group	Share capital RM'000	Revaluation reserve RM'000	FVOCI reserve RM'000	Retained profits RM'000	Total RM'000
	◄--- Non-distributable ---►			Distributable	
2025					
At 1 January	**792,555**	**233,477**	**92,062**	**13,902,695**	**15,020,789**
Profit for the year	**-**	**-**	**-**	**1,941,752**	**1,941,752**
Other comprehensive income	**-**	**45,756**	**68,449**	**-**	**114,205**
Total comprehensive income	**-**	**45,756**	**68,449**	**1,941,752**	**2,055,957**
Transfer upon disposal of land and building	**-**	**(7,319)**	**-**	**7,319**	**-**
Transfer upon disposal of equity instruments at FVOCI	**-**	**-**	**(798)**	**798**	**-**
Transaction with shareholders: Dividend paid					
- First interim dividend for the financial year ended 31 December 2025	**-**	**-**	**-**	**(527,810)**	**(527,810)**
- Final dividend for the financial year ended 31 December 2024	**-**	**-**	**-**	**(916,970)**	**(916,970)**
	-	**-**	**-**	**(1,444,780)**	**(1,444,780)**
At 31 December	**792,555**	**271,914**	**159,713**	**14,407,784**	**15,631,966**

Group	Share capital RM'000	Revaluation reserve RM'000	FVOCI reserve RM'000	Retained profits RM'000	Total RM'000
	◄--- Non-distributable ---►			Distributable	
2024					
At 1 January	792,555	233,477	79,393	12,996,815	14,102,240
Profit for the year	-	-	-	1,677,150	1,677,150
Other comprehensive income	-	-	12,669	-	12,669
Total comprehensive income	-	-	12,669	1,677,150	1,689,819
Transaction with shareholders: Dividend paid					
- Final dividend for the financial year ended 31 December 2023	-	-	-	(771,270)	(771,270)
At 31 December	792,555	233,477	92,062	13,902,695	15,020,789

The accompanying notes form an integral part of the financial statements.

Statements of Changes in Equity (Continued)

For the financial year ended 31 December 2025

Bank	Share capital RM'000	Non-distributable FVOCI reserve RM'000	Distributable Retained profits RM'000	Total RM'000
2025				
At 1 January	**792,555**	**85,159**	**14,055,169**	**14,932,883**
Profit for the year	**-**	**-**	**1,912,393**	**1,912,393**
Other comprehensive income	**-**	**68,449**	**-**	**68,449**
Total comprehensive income	**-**	**68,449**	**1,912,393**	**1,980,842**
Transfer upon disposal of equity instruments at FVOCI	**-**	**(798)**	**798**	**-**
Transaction with shareholders:				
Dividend paid				
- First interim dividend for the financial year ended 31 December 2025	**-**	**-**	**(527,810)**	**(527,810)**
- Final dividend for the financial year ended 31 December 2024	**-**	**-**	**(916,970)**	**(916,970)**
	-	**-**	**(1,444,780)**	**(1,444,780)**
At 31 December	**792,555**	**152,810**	**14,523,580**	**15,468,945**

Bank	Share capital RM'000	Non-distributable FVOCI reserve RM'000	Distributable Retained profits RM'000	Total RM'000
2024				
At 1 January	792,555	72,490	13,159,032	14,024,077
Profit for the year	-	-	1,667,407	1,667,407
Other comprehensive income	-	12,669	-	12,669
Total comprehensive income	-	12,669	1,667,407	1,680,076
Transaction with shareholders:				
Dividend paid				
- Final dividend for the financial year ended 31 December 2023	-	-	(771,270)	(771,270)
At 31 December	792,555	85,159	14,055,169	14,932,883

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Cash flows from operating activities					
Profit before taxation		**2,547,835**	2,204,494	**2,520,735**	2,192,401
Amortisation of intangible assets	17	**13,100**	13,100	**13,100**	13,100
Gain on disposal and write-off of property, plant and equipment	31	**(2,174)**	(60)	**(884)**	(60)
Depreciation of property, plant and equipment	15,32	**160,341**	146,383	**140,614**	128,300
Depreciation of right-of-use assets	16,32	**22,323**	21,714	**62,627**	49,435
Allowance for/(write-back of) ECL on:					
- Loans, advances and financing	11(vii),34	**68,395**	159,353	**68,339**	159,908
- Other financial assets	34	**(6,394)**	(17,700)	**(6,414)**	(17,674)
- Commitments and contingencies	21(a),34	**(13,313)**	17,045	**(13,313)**	17,045
Net unrealised (gain)/loss on financial assets at FVTPL	31	**(2,400)**	19,321	**(2,400)**	19,321
Dividend income from equity instruments at FVOCI	31	**(3,421)**	(981)	**(3,421)**	(981)
Interest/profit income from debt instruments at FVOCI	29	**(565,054)**	(656,785)	**(565,054)**	(656,785)
Interest/profit income from debt instruments at amortised cost	29	**(408,519)**	(381,493)	**(408,519)**	(381,493)
Gain from sale of debt instruments at FVOCI	31	**(89,499)**	(69,869)	**(89,499)**	(69,869)
Foreign exchange gain	31	**(756,801)**	(783,136)	**(756,801)**	(783,131)
Gain from sale of financial assets at FVTPL	31	**(35,302)**	(19,995)	**(35,302)**	(19,995)
(Gain)/loss from trading derivatives	31	**(11,247)**	86,371	**(11,247)**	86,371
Unrealised loss/(gain) from trading derivatives	31	**65,216**	(49,284)	**65,216**	(49,284)
Unrealised loss/(gain) on fair value adjustment for subordinated bonds	31	**648**	(376)	**648**	(376)
Gain from sale of precious metals	31	**(5,776)**	(2,958)	**(5,776)**	(2,958)
Unrealised loss from revaluation of precious metals	31	**1,517**	8	**1,517**	8
Write-back of property, plant and equipment, net	15	**(20,454)**	(10,889)	**-**	-
Interest expense from lease liabilities	30	**2,797**	2,902	**24,126**	19,792
Amortisation of premium less accretion of discount from:					
- Financial assets at FVTPL	29	**(25,885)**	104	**(25,885)**	104
- Debt instruments at FVOCI	29	**38,752**	68,128	**38,752**	68,128
- Debt instruments at amortised cost	29	**(6,294)**	(5,973)	**(6,294)**	(5,973)
Operating profit before working capital changes		**968,391**	739,424	**1,004,865**	765,334

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows (Continued)

For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Cash flows from operating activities (Continued)					
Increase in operating assets:					
Loans, advances and financing		**(3,175,102)**	(2,632,433)	**(3,266,052)**	(2,629,420)
Financial assets at FVTPL		**(853,909)**	(1,030,878)	**(853,909)**	(1,030,878)
Securities purchased under resale agreements		**(193,703)**	(514,724)	**(193,703)**	(514,724)
Statutory deposits with Bank Negara Malaysia		**782,000**	(42,467)	**782,000**	(42,467)
Derivative financial assets		**(1,050,531)**	16,253	**(1,050,531)**	16,253
Other assets		**(60,393)**	(288,687)	**(58,209)**	(291,791)
		(4,551,638)	(4,492,936)	**(4,640,404)**	(4,493,027)
Increase/(decrease) in operating liabilities:					
Deposits from customers		**6,723,306**	(1,448,616)	**6,721,769**	(1,461,266)
Deposits and placements of banks and other financial institutions		**704,721**	617,655	**704,721**	617,655
Obligation on securities sold under repurchase agreements		**(340,729)**	(943,451)	**(340,729)**	(943,451)
Bills and acceptances payable		**(24,000)**	(66,513)	**(24,000)**	(66,513)
Derivative financial liabilities		**1,216,244**	(135,878)	**1,216,244**	(135,878)
Other liabilities		**650,205**	279,379	**661,561**	296,073
		8,929,747	(1,697,424)	**8,939,566**	(1,693,380)
Cash generated from/(used in) operating activities		**5,346,500**	(5,450,936)	**5,304,027**	(5,421,073)
Tax paid		**(618,375)**	(504,551)	**(617,341)**	(504,532)
Net cash generated from/(used in) operating activities		**4,728,125**	(5,955,487)	**4,686,686**	(5,925,605)
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		**13,279**	850	**980**	850
Purchase of property, plant and equipment	15	**(148,496)**	(153,613)	**(137,886)**	(150,959)
Interest/profit income from debt instruments at FVOCI	29	**565,054**	656,785	**565,054**	656,785
Interest/profit income from debt instruments at amortised cost	29	**408,519**	381,493	**408,519**	381,493
Net (purchase)/disposal of debt instruments at FVOCI		**(5,580,229)**	6,016,750	**(5,580,229)**	6,016,750
Net disposal of equity instruments at FVOCI		**798**	-	**798**	-
Net disposal/(purchase) of debt instruments at amortised cost		**54,928**	(96,272)	**54,928**	(96,272)
Gross dividend income from equity instruments at FVOCI	31	**3,421**	981	**3,421**	981
Redemption of redeemable preference shares	13	**-**	-	**80,000**	-
Net cash (used in)/generated from investing activities		**(4,682,726)**	6,806,974	**(4,604,415)**	6,809,628

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows (Continued)

For the financial year ended 31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Cash flows from financing activities					
Issuance of subordinated sukuk	22	**750,000**	500,000	**750,000**	500,000
Redemption of subordinated bond	22	**(750,000)**	-	**(750,000)**	-
Lease payments	16	**(24,118)**	(23,154)	**(60,990)**	(55,690)
Dividend paid	37	**(1,444,780)**	(771,270)	**(1,444,780)**	(771,270)
Net cash used in financing activities		**(1,468,898)**	(294,424)	**(1,505,770)**	(326,960)
Net (decrease)/increase in cash and cash equivalents		**(1,423,499)**	557,063	**(1,423,499)**	557,063
Cash and cash equivalents at beginning of the financial year		**6,607,376**	6,050,313	**6,607,376**	6,050,313
Cash and cash equivalents at end of the financial year before allowance for ECL		**5,183,877**	6,607,376	**5,183,877**	6,607,376
Analysis of cash and cash equivalents					
Cash and short-term funds	3	**4,833,877**	6,507,376	**4,833,877**	6,507,376
Deposits and placements with financial institutions	4	**350,000**	100,000	**350,000**	100,000
		5,183,877	6,607,376	**5,183,877**	6,607,376
Less: Allowance for ECL	3,4	**(1,563)**	(18,037)	**(1,563)**	(18,037)
		5,182,314	6,589,339	**5,182,314**	6,589,339

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

1. Corporate Information

The Bank is a limited liability company, incorporated and domiciled in Malaysia. The registered office of the Bank is located at Level 22, UOB Plaza 1 Kuala Lumpur, No. 7 Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia.

The holding and ultimate holding companies of the Bank are Chung Khiaw (Malaysia) Berhad, a company incorporated in Malaysia, and United Overseas Bank Limited, a bank incorporated in Singapore and listed on the Singapore Exchange, respectively.

The principal activities of the Bank are banking and related financial services, including Islamic Banking. The principal activities of the subsidiaries and the associate are set out in Notes 13 and 14, respectively. There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors.

2. Material Accounting Policies

2.1 Basis of preparation

The financial statements comply with the MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and the Bank have been prepared under the historical cost convention, unless otherwise indicated in this summary of material accounting policies. The financial statements also include separate disclosures on its Islamic Banking operations as disclosed in Note 47. Islamic Banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under the Shariah principles.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except where otherwise indicated.

2.2 Changes in accounting policies

Adoption of new and amended MFRSs and Interpretation Committee (IC) Interpretations issued

The accounting policies as set out in Note 2.4 adopted by the Group and the Bank are consistent with those adopted in previous years, except as follows:

The Group and the Bank adopted the following new and amended MFRSs and IC Interpretations beginning on or after 1 January 2025

Lack of Exchangeability (Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates)

The adoption of the above amended MFRSs and IC Interpretations did not have any material impact on the financial statements of the Group and the Bank.

2. Material Accounting Policies (Continued)

2.3 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following MFRSs and amendments to MFRSs have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective and have not been adopted by the Group and the Bank.

Description	Effective for annual periods beginning on or after
Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 and MFRS 7)	1 January 2026
Annual improvements to MFRS Standards (Volume 11)	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to MFRS 121)	1 January 2027

Effective for financial periods which have yet to be determined by the MASB

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)

Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)

The MASB has issued amendments to MFRS 9 and MFRS 7 to enhance the clarity and consistency of the classification and measurement requirements for financial instruments. These amendments are effective for annual periods beginning on or after 1 January 2026, with early adoption permitted.

The amendments clarify the treatment of electronic payment system settlements, refine the assessment of contractual cash flow characteristics (including those with ESG-related features), clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments and introduce consequential disclosure updates under MFRS 7.

The Group and the Bank do not expect any material impact on existing classification and measurement outcomes.

Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 and MFRS 7)

The MASB has issued amendments to MFRS 9 and MFRS 7 relating to contracts referencing nature-dependent electricity. The amendments are effective for annual periods beginning on or after 1 January 2026, with early adoption permitted.

The amendments clarify the application of the 'own-use' exception, permit hedge accounting for specified variable-volume electricity contracts, and introduce new disclosure requirements to help users understand the effects of such contracts on future cash flows and financial performance.

The amendments are not expected to have a significant impact on the preparation of the Group's and the Bank's financial statements.

Annual improvements to MFRS Standards (Volume 11)

The MASB has issued Annual Improvements to MFRS Standards - Volume 11, aimed at enhancing consistency across several MFRS Standards. The improvements are effective for annual periods beginning on or after 1 January 2026, with early adoption permitted.

2. Material Accounting Policies (Continued)

2.3 Standards issued but not yet effective (Continued)

Annual improvements to MFRS Standards (Volume 11) (Continued)

The amendments cover updates to MFRS 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107, primarily clarifying wording, removing outdated references, and addressing minor inconsistencies in application.

The Group and the Bank do not expect these amendments to have any material impact on the financial statements.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 and introduces enhanced requirements for the presentation and disclosure of financial statements. The Standard becomes effective for annual periods beginning on or after 1 January 2027, with early application permitted.

MFRS 18 introduces new requirement for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as banks, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).

The standard requires disclosures of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

The Group and the Bank are assessing the impact, and while no material impact is expected on recognition and measurement, significant presentation and disclosure changes will be required upon adoption.

MFRS 19 Subsidiaries without Public Accountability: Disclosures

MFRS 19 provides reduced disclosure requirements for eligible subsidiaries that do not have public accountability, while retaining the full recognition, measurement and presentation requirements of MFRS Accounting Standards. The Standard is effective for annual periods beginning on or after 1 January 2027, with early adoption permitted.

The Group is in the midst of evaluating the potential impact of adopting the standards on the required effective date.

Translation to a Hyperinflationary Presentation Currency (Amendments to MFRS 121)

The amendments to MFRS 121 provide clearer guidance on how entities should translate financial statements when the presentation currency, but not necessarily the functional currency, is hyperinflationary. The amendments are effective for annual period begining on or after 1 January 2027.

The amendments are not expected to have any material impact on the financial statements of the Group and the Bank upon adoption.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)

The amendments to MFRS 10 and MFRS 128 address the accounting for transactions involving the sale or contribution of assets between an investor and its associate or joint venture. The amendments aim to resolve the inconsistency between the requirements of MFRS 10 and MFRS 128 by clarifying when a full gain or loss versus a partial gain or loss should be recognised.

The effective date has not yet been determined by the MASB and will be announced once international standard-setting is finalised.

The Group and the Bank do not expect a material impact on the financial statements upon adoption of these amendments.

2. Material Accounting Policies (Continued)

2.4 Summary of material accounting policies

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries including the equity accounting of interest in an associate as at 31 December 2025. The financial statements of the Bank's subsidiaries and associate are prepared for the same reporting date as the Bank, using consistent accounting policies for transactions and events in similar circumstances.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. Subsidiaries are consolidated where the Group obtains control until the date such control ceases.

Specifically, the Group controls an investee if, and only if, the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

In the Bank's separate financial statements, investment in subsidiaries is stated at cost less impairment losses, if any, determined on an individual basis. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the carrying amount of the investment in an associate is adjusted for post-acquisition changes in the Group's share of net assets of the associate.

The Group's share of the net profit or loss of the associate is recognised in the consolidated profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes, when applicable, in the statements of changes in equity. In applying the equity method, unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in the associate. At each reporting date, the Group determines whether there is objective evidence that the investment in associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value.

The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

2. Material Accounting Policies (Continued)

2.4 Summary of material accounting policies (Continued)

(a) Basis of consolidation (Continued)

(ii) Associate (Continued)

Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest 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 obligations or made payments on behalf of the associate.

The most recently available audited financial statements of the associate are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived from the last audited financial statements available and management financial statements for the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

In the Bank's separate financial statements, investment in an associate is stated at cost less impairment loss.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. The acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group and the Bank re-assess whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

2. Material Accounting Policies (Continued)

2.4 Summary of material accounting policies (Continued)

(b) Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Bank's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill is reviewed for impairment annually or more frequently if the circumstances indicate that its carrying amount may be impaired. Where the recoverable amount, being the higher of fair value less cost to sell and value in use, of a cash-generating unit (CGU) is below its carrying amount, the impairment allowance is recognised in the profit or loss and subsequent reversal is not allowed.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(c) Other intangible assets

Intangible assets of the Group and the Bank include separately identifiable intangible items with finite useful lives that are acquired in business combinations and are stated at cost, being their fair value at the date of acquisition less accumulated amortisation and impairment allowance. These intangible assets are amortised on a straight-line basis over their estimated useful lives of ten years. The estimated useful life, amortisation method and residual value of intangible assets are reviewed annually.

Intangible assets are reviewed for impairment when events or changes in circumstances indicate that their recoverable amounts, being the higher of fair value less cost to sell and value in use, may be below their carrying amounts. Impairment allowance is recognised in the profit or loss and subsequent reversal is permitted when there is indication that the impairment loss recognised in prior periods no longer exist or may have decreased.

Intangible assets are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. The resulting gain or loss upon derecognition is recognised in the profit or loss.

(d) Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Bank become a party to the contractual provisions of the financial assets. The Group and the Bank classify their financial assets under the following categories:

(a) Amortised cost

Financial assets are measured at amortised cost if they are held within a business model which the objective is to hold the financial assets in order to collect contractual cash flows which represent solely payments of principal and interest/profit (SPPI).

(b) Debt instruments at FVOCI

FVOCI with recycling to profit or loss applies to debt instruments with contractual cash flow characteristics that are SPPI and business model objective is to both collecting contractual cash flow and selling of the financial assets.

(c) Equity instruments at FVOCI

FVOCI without recycling to profit or loss applies to equity instruments which are not held for trading, and which the irrevocable option of not carrying the financial instruments at FVTPL has been selected.

(d) Financial instruments at FVTPL

Financial assets that qualify for neither held at amortised cost nor at FVOCI are measured at FVTPL.

2. Material Accounting Policies (Continued)

2.4 Summary of material accounting policies (Continued)

(d) Financial instruments (Continued)

(i) **Financial assets (Continued)**

Subsequent measurement

(a) Amortised cost

Amortised cost financial instruments are measured at amortised cost using effective interest/profit rate method. Gains/losses are recognised in profit or loss through the amortisation process and when the financial instruments are impaired or derecognised.

(b) Debt instruments at FVOCI

Debt instruments classified as FVOCI are measured at fair value. Any gains or losses arising from the changes in fair value of these financial instruments are recognised in other comprehensive income (OCI), except for impairment loss, exchange differences and interest/profit income which are recognised in profit or loss. The cumulative gain or loss previously recognised in OCI is classified from equity to profit or loss as a reclassification adjustment when the financial instrument is derecognised.

(c) Equity instruments at FVOCI

Equity instruments classified as FVOCI are measured at fair value. Any gains or losses arising from the changes in fair value of these financial instruments are recognised in OCI and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's or the Bank's right to receive payment is established.

(d) Financial instruments at FVTPL

All other financial instruments which are classified as FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial instruments at FVTPL do not include exchange differences, interest/profit and dividend income. Exchange differences, interest/profit and dividend income on financial instruments at FVTPL are recognised separately in profit or loss as part of income or losses.

Classification of credit-impaired loans, advances and financing

The Group and the Bank classify a loan or advance or financing as credit-impaired when there is objective evidence that the loan or advance or financing is credit-impaired. In addition, the Group and the Bank also comply with Bank Negara Malaysia's Guideline on Classification and Impairment Provisions for Loans/Financing which states that, based on repayment conduct, a loan or financing should be classified as credit-impaired:

- where the principal or interest/profit or both of the loan/financing is past due for more than 90 days or 3 months;
- in the case of revolving credit facilities (e.g. overdraft facilities), where the outstanding amount has remained in excess of the approved limit for a period of more than 90 days or 3 months;
- where the amount is past due or the outstanding amount has been in excess of the approved limit for 90 days or 3 months or less, and the loan/financing exhibits weaknesses in accordance with the banking institution's credit risk measurement framework; or
- as soon as a default occurs where the principal and/or interest/profit repayments are scheduled on intervals of 3 months or longer.

Upgrading or de-classification of a credit-impaired account shall be supported by a credit assessment of the repayment capability, cash flows and financial position of the borrower or obligor. The Group and the Bank must also be satisfied that once the account is de-classified, the account is unlikely to be classified again in the near future.

2. Material Accounting Policies (Continued)

2.4 Summary of material accounting policies (Continued)

(d) Financial instruments (Continued)

(i) Financial assets (Continued)

Expected credit losses of financial assets

Expected credit losses (ECL) are provided to financial assets measured at amortised cost and debt instruments at FVOCI and certain loans and financing commitments as well as financial guarantee contracts. ECL is computed based on the probability of default in the next twelve months unless there has been a significant increase in credit risk (SICR) since origination, in which case, the allowance is based on the probability of default over the expected remaining life of the assets. The ECL may be assessed either individually or collectively.

Derecognition

A financial asset is derecognised when there is substantial modification of terms and conditions or factors other than substantial modification.

The Group and the Bank derecognise a financial asset, such as a loan/financing to a borrower/customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan/financing with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded.

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

(1) The rights to receive cash flows from the financial assets have expired; or
(2) The transfer of a financial asset qualifies for derecognition.

The Group and the Bank consider control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

(ii) Financial liabilities

Initial recognition and subsequent measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

(a) Financial liabilities at FVTPL

Financial liabilities are measured at FVTPL if they are held for trading and designated upon initial recognition as FVTPL. Gains or losses on financial liabilities held for trading are recognised in the profit or loss as disclosed in other operating income.

(b) Amortised cost

Non-derivative financial liabilities that are not held for active trading or designated as FVTPL are classified as non-trading liabilities and are measured at amortised cost.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the original financial liability and the consideration paid is recognised in the profit or loss.

(iii) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(iv) Write-off policy

A credit-impaired account that is not secured by any realisable collateral will be written-off either when the prospect of a recovery is considered poor or when all feasible avenues of recovery have been exhausted.

2. Material Accounting Policies (Continued)

2.4 Summary of material accounting policies (Continued)

(e) Impairment of non-financial assets

The carrying amounts of the Group's and the Bank's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market's assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(f) Financial derivatives

Financial derivatives with positive and negative fair values are presented as assets and liabilities in the statements of financial position respectively.

Such financial derivatives are initially recognised at fair value at the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss where the hedged items affect profit or loss.

Derivatives embedded in financial liabilities are accounted for separately as derivatives if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not carried at FVTPL.

(g) Property, plant and equipment, and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset, if and only if, 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.

Subsequent to initial recognition, all items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Bank recognised such parts as individual assets with specific useful lives and depreciate them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit and loss as incurred.

2. Material Accounting Policies (Continued)

2.4 Summary of material accounting policies (Continued)

(g) Property, plant and equipment, and depreciation (Continued)

Freehold land, leasehold land and buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the reporting date. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss.

Freehold land is not depreciated. Capital work-in-progress is not depreciated as these assets are not yet available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write-off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold land	50 years or lease period, whichever is shorter
Buildings	2%
Office furniture, fittings and equipment	10 - 20%
Computer equipment and software	12.5 - 33.3%
Motor vehicles	20%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

(h) Leases

The Group and the Bank assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group and the Bank as lessee

The Group and the Bank apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Bank recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Bank recognise right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, reinstatement costs and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group and the Bank at the end of the lease term or the cost reflects the exercise of a purchase option, the depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as disclosed in Note 2.4(e).

2. Material Accounting Policies (Continued)

2.4 Summary of material accounting policies (Continued)

(h) Leases (Continued)

The Group and the Bank as lessee (Continued)

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Bank recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Bank and payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Bank use their incremental borrowing rates at the lease commencement date because the interest rates implicit in the lease are not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

The Group and the Bank apply the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. They also apply the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense over the lease term.

(i) Fair value measurement

Fair value of financial assets and financial liabilities with active markets is determined based on the market bid and ask prices respectively at the reporting date. For financial instruments with no active markets, fair value is established using valuation techniques such as making reference to recent transactions or other comparable financial instruments, discounted cash flow method and option pricing models.

(j) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the Bank's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period.

2. Material Accounting Policies (Continued)

2.4 Summary of material accounting policies (Continued)

(k) Income and deferred taxes

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised in OCI or directly in equity, in which case the deferred tax is also recognised in OCI or directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(l) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Post-employment benefits - Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund (EPF).

(m) Share-based payment

Cost of equity-settled share-based compensation (being the fair value at grant date) is expensed off to the profit or loss over the vesting period with the corresponding increase in the amount due to the ultimate holding company.

The estimated number of grants to be ultimately vested and its financial impact are reviewed quarterly and adjustments are made accordingly to reflect changes in the non-market vesting conditions.

(n) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposit placements maturing in less than one month held for the purpose of meeting short-term commitments and are readily convertible into cash without significant risk of changes in value.

2. Material Accounting Policies (Continued)

2.4 Summary of material accounting policies (Continued)

(o) Securities purchased under resale agreements and obligations on securities sold under repurchase agreements

Securities purchased under resale agreements are collateralised lending whereby the lender (i.e. the Bank) buys securities or money market instruments (representing the collateral) from the borrower and simultaneously agrees to sell them back to the borrower at a specified price and date. The commitment to resell the securities is reflected as an asset on the statements of financial position.

Obligations on securities sold under repurchase agreements are collateralised borrowing whereby the borrower (i.e. the Bank) sells securities or money market instruments (representing the collateral) to the lender and simultaneously agrees to buy them back from the lender at a specified price and date. The commitment to repurchase the securities is reflected as a liability on the statements of financial position.

(p) 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.

(q) Provisions

Provisions are recognised when the Group and the Bank have a present legal or constructive obligation where an outflow of resources to settle the obligation is probable and a reliable estimate can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. When an outflow of resources to settle the obligation is no longer probable, the provision is reversed.

(r) Subordinated bonds/sukuk

Subordinated bonds/sukuk are classified as liabilities in the statements of financial position as there is a contractual obligation to make cash payments of either principal or interest/profit or both to holders of the debt securities and that the Group and the Bank are contractually obligated to settle the financial instrument in cash.

(s) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Bank after deducting all of its liabilities. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(t) Precious metal

Included in the other assets are precious metal balances and net balances due from gold loan customers and other liabilities is customer gold account, resulting from the Bank's broker-dealer activities.

The precious metal balances, gold loaned to customers and customer gold account are accounted for at fair value. Changes in the fair value are recognised in the profit or loss under the caption of 'other operating income'.

(u) Hedge accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- Hedges of a net investment in a foreign operation.

2. Material Accounting Policies (Continued)

2.4 Summary of material accounting policies (Continued)

(u) Hedge accounting (Continued)

At the inception of a hedge relationship, the Group and the Bank formally designate and document the hedge relationship to which the Group or the Bank wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Fair value hedges

A fair value hedge is a hedge of changes in the fair value of an asset, liability or a firm commitment.

For a fair value hedge of an equity instrument designated at FVOCI, fair value changes of the hedging instrument are recognised in other comprehensive income and transferred to retained earnings when the hedge is terminated.

For other fair value hedges, fair value changes of the hedging instrument are recognised in the profit and loss, together with fair value changes of the hedged item attributable to the hedged risk. The adjustment made to the carrying amount of the hedged item is amortised over the expected life of the hedged item when the hedge is terminated and taken to profit and loss upon disposal of the hedged item.

(v) Recognition of interest/profit income

Interest/profit income is recognised using the effective interest/profit method. Interest/profit income includes the amortisation of premium or accretion of discount. The effective interest/profit method applies the rate that exactly discounts estimated future cash receipts through the effective life of the financial instrument to the net carrying amount of the financial asset.

(w) Recognition of fees, commission income, dividends and other income

Fees and commission income are recognised in the accounting period when services are rendered. For services that are provided over a period of time, material fees and commission income are recognised over the service period.

Dividends from subsidiaries and an associate, securities at FVTPL, debt and equity instruments at FVOCI and debt instruments at amortised cost are recognised on a declared basis.

2.5 Significant accounting estimates and judgements

In the preparation of the financial statements, management was required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial statements in the period in which the estimate is revised and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements used in applying accounting policies that have a significant effect on the amount recognised in the financial statements include the following:

(a) Allowance for ECL on financial assets

The measurement of ECL across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining ECL and the assessment of SICR. These estimates are driven by a number of factors, including macro-economic factors as disclosed in Note 41.1(b), changes in which can result in different levels of allowance.

2. Material Accounting Policies (Continued)

2.5 Significant accounting estimates and judgements (Continued)

(a) Allowance for ECL on financial assets (Continued)

The Group's and the Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's and the Bank's internal credit grading model, which assigns probability of default (PD) to each individual grade;
- The Group's and the Bank's criteria for assessing if there has been a SICR and so allowance for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic variables and, economic inputs, such as unemployment rates and collateral values, and the effect on PD, exposure at default (EAD) and loss given default (LGD); and
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It is the Group's and the Bank's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

(b) Level 3 fair value estimation for financial instruments, land and buildings

The fair values of financial instruments and land and buildings are the prices that would be received to sell an asset in the principal (or most advantageous) market at the measurement date under the current market conditions (an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The key assumptions used to determine the fair values are as disclosed in Note 27(e).

(c) Goodwill and other intangible assets

The fair values of other intangible assets acquired is determined using valuation methodologies that include (a) discounted cash flow model and management's best estimate of future cash flows, and (b) multi-period excess earnings method for customer relationships. Useful lives of these intangible assets are based on management's best estimates of periods over which value from the intangible assets will be realised.

Management reassesses the estimated useful lives at each financial year end, taking into account the period over which the intangible assets are expected to generate future economic benefit.

Goodwill and other intangible assets are reviewed for impairment in accordance with Notes 2.4(b), (c) and 17. The process requires management's assessment of key factors such as future economic growth, business forecasts and discount rates.

3. Cash and Short-Term Funds

	Group and Bank	
	2025 RM'000	2024 RM'000
Cash and balances with banks and other financial institutions	1,780,877	3,726,433
Money at call and deposit placements maturing within one month	3,053,000	2,780,943
	4,833,877	6,507,376
Less: Allowance for ECL	(1,502)	(17,980)
	4,832,375	6,489,396

Movements in the allowance for ECL on cash and short-term funds are as follows:

Group and Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	17,980	-	-	17,980
Allowance made	889	-	-	889
Maturity/settlement/repayment	(16,475)	-	-	(16,475)
Exchange differences	(892)	-	-	(892)
Net total (Note 34)	(16,478)	-	-	(16,478)
At 31 December	1,502	-	-	1,502
2024				
At 1 January	13,144	-	-	13,144
Allowance made	6,173	-	-	6,173
Maturity/settlement/repayment	(660)	-	-	(660)
Exchange differences	(677)	-	-	(677)
Net total (Note 34)	4,836	-	-	4,836
At 31 December	17,980	-	-	17,980

4. Deposits and Placements with Financial Institutions

	Group and Bank	
	2025 RM'000	2024 RM'000
Licensed banks in Malaysia	350,000	100,000
Less: Allowance for ECL	(61)	(57)
	349,939	99,943

4. Deposits and Placements with Financial Institutions (Continued)

Movements in the allowance for ECL on deposits and placements with financial institutions are as follows:

Group and Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	57	-	-	57
Allowance made	61	-	-	61
Maturity/settlement/repayment	(57)	-	-	(57)
Net total (Note 34)	4	-	-	4
At 31 December	61	-	-	61
2024				
At 1 January	174	-	-	174
Allowance made	57	-	-	57
Maturity/settlement/repayment	(174)	-	-	(174)
Net total (Note 34)	(117)	-	-	(117)
At 31 December	57	-	-	57

5. Securities Purchased Under Resale Agreements (Reverse Repos) and Obligations on Securities Sold Under Repurchase Agreements (Repos)

Reverse Repos

Reverse Repos are treated as collateralised lendings and the amounts lent are reported as assets.

	Group and Bank	
	2025 RM'000	2024 RM'000
Assets received for Reverse Repos transactions	1,167,747	974,044

Repos

Repos are treated as collateralised borrowings and the amounts borrowed are reported as liabilities.

	Group and Bank	
	2025 RM'000	2024 RM'000
Assets sold for Repos transactions, at amortised cost	1,632,552	1,973,281

6. Financial Assets at Fair Value Through Profit or Loss (FVTPL)

	Group and Bank	
	2025 RM'000	2024 RM'000
Money market instruments		
Bank Negara Malaysia bills	-	1,153,480
Malaysian Government securities	723,069	869,287
Negotiable instruments of deposits	1,750,082	2,509,570
	2,473,151	4,532,337
Debt securities in Malaysia		
Cagamas bonds	1,645,275	1,650,782
Private debt securities	3,105,316	123,127
	4,750,591	1,773,909
Total financial assets at FVTPL	7,223,742	6,306,246

7. Debt Instruments at Fair Value Through Other Comprehensive Income (FVOCI)

	Group and Bank	
	2025 RM'000	2024 RM'000
Money market instruments		
Malaysian Government securities	17,729,023	14,455,985
Negotiable instruments of deposits	800,036	1,399,705
Foreign Government securities	1,633,998	-
	20,163,057	15,855,690
Debt securities in Malaysia		
Cagamas bonds/sukuk	-	120,164
Private debt securities	1,971,189	431,458
	1,971,189	551,622
Total debt instruments at FVOCI	22,134,246	16,407,312

7. Debt Instruments at Fair Value Through Other Comprehensive Income (FVOCI) (Continued)

Movements in the allowance for ECL on debt instruments at FVOCI are as follows:

Group and Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	1,869	61	-	1,930
Allowance made	8,229	569	-	8,798
Maturity/settlement/repayment	(1,362)	(40)	-	(1,402)
Net total (Note 34)	6,867	529	-	7,396
At 31 December	8,736	590	-	9,326
2024				
At 1 January	3,841	306	39,960	44,107
Allowance made	1,222	104	-	1,326
Maturity/settlement/repayment	(3,194)	(349)	(39,960)	(43,503)
Net total (Note 34)	(1,972)	(245)	(39,960)	(42,177)
At 31 December	1,869	61	-	1,930

8. Equity Instruments at Fair Value Through Other Comprehensive Income (FVOCI)

	Group and Bank	
	2025 RM'000	2024 RM'000
Quoted securities		
Shares of corporations in Malaysia	-	947
Unquoted securities		
Shares of corporations in Malaysia (Note (a))	159,824	173,214
	159,824	174,161

(a) The Group and the Bank have equity interests in several unquoted securities, for which the fair values determined are disclosed in Note 27(e).

9. Debt Instruments at Amortised Cost

	Group and Bank	
	2025 RM'000	2024 RM'000
Money market instruments		
Malaysian Government securities	6,666,114	7,261,850
Less: Allowance for ECL	(582)	(634)
	6,665,532	7,261,216
Debt securities in Malaysia		
Private debt securities/sukuk	3,261,058	2,713,956
Less: Allowance for ECL	(24,192)	(16,200)
	3,236,866	2,697,756
Total debt instruments at amortised cost	9,902,398	9,958,972

Movements in the allowance for ECL on debt instruments at amortised cost are as follows:

Group and Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	8,163	8,671	-	16,834
Transferred to Stage 1	7,690	(7,690)	-	-
Net remeasurement of allowance	(3,183)	-	-	(3,183)
Allowance made	11,293	7,590	-	18,883
Maturity/settlement/repayment	(7,217)	(543)	-	(7,760)
Net total (Note 34)	8,583	(643)	-	7,940
At 31 December	16,746	8,028	-	24,774
2024				
At 1 January	21,327	1,162	-	22,489
Transferred to Stage 2	(337)	337	-	-
Net remeasurement of allowance	-	(425)	-	(425)
Allowance made	4,336	7,866	-	12,202
Maturity/settlement/repayment	(17,163)	(269)	-	(17,432)
Net total (Note 34)	(13,164)	7,509	-	(5,655)
At 31 December	8,163	8,671	-	16,834

10. Other Assets

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other receivables, deposits and prepayments	711,224	1,127,240	711,180	1,127,125
Interest/profit receivable	426,024	344,342	426,024	344,342
Amount due from subsidiaries (Note (a))	-	-	12,389	14,334
Amount due from fellow subsidiaries (Note (b))	476	-	149	-
Amount due from holding company (Note (b))	-	79	-	62
Amount due from the ultimate holding company (Note (b))	867	74,747	867	74,747
Precious metal accounts (Note (c))	899,478	427,012	899,478	427,012
Less: Allowance for ECL (Note (d))	(2,599)	(7,855)	(2,607)	(7,883)
	2,035,470	1,965,565	2,047,480	1,979,739

(a) Amount due from subsidiaries are unsecured and repayable on demand.

(b) Amount due from holding company, ultimate holding company and fellow subsidiaries are unsecured, and repayable on demand.

(c) As at 31 December 2025, precious metal accounts comprise the following:

- Precious metals of the Bank which are directly sought from the gold market amounting to RM867,021,000 (2024: RM404,601,000); and

- The net balances due from customers of the Bank amounting to RM32,457,000 (2024: RM22,411,000); which are stated at the gross amounts of gold loaned to customers amounting to RM147,009,000 (2024: RM97,599,000) net of cash collateral received from customers of RM114,552,000 (2024: RM75,188,000).

The gross amounts of gold loaned to customers and precious metals are marked-to-market based on the quoted market prevailing prices of the respective precious metals as quoted by the London Bullion market Association.

10. Other Assets (Continued)

(d) Movements in the allowance for ECL on other assets are as follows:

Group	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	4,288	3,567	-	7,855
Allowance made	494	286	-	780
Maturity/settlement/repayment	(3,135)	(2,828)	-	(5,963)
Exchange differences	(40)	(33)	-	(73)
Net total (Note 34)	(2,681)	(2,575)	-	(5,256)
At 31 December	1,607	992	-	2,599
2024				
At 1 January	2,998	2,516	-	5,514
Allowance made	1,764	1,466	-	3,230
Maturity/settlement/repayment	(461)	(404)	-	(865)
Exchange differences	(13)	(11)	-	(24)
Net total (Note 34)	1,290	1,051	-	2,341
At 31 December	4,288	3,567	-	7,855
Bank				
2025				
At 1 January	4,303	3,580	-	7,883
Allowance made	494	286	-	780
Maturity/settlement/repayment	(3,145)	(2,838)	-	(5,983)
Exchange differences	(40)	(33)	-	(73)
Net total (Note 34)	(2,691)	(2,585)	-	(5,276)
At 31 December	1,612	995	-	2,607
2024				
At 1 January	2,999	2,517	-	5,516
Allowance made	1,778	1,478	-	3,256
Maturity/settlement/repayment	(461)	(404)	-	(865)
Exchange differences	(13)	(11)	-	(24)
Net total (Note 34)	1,304	1,063	-	2,367
At 31 December	4,303	3,580	-	7,883

11. Loans, Advances and Financing

At amortised cost	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Overdrafts	2,799,393	2,906,991	2,799,393	2,906,991
Term loans/financing:				
- Housing loans/financing	41,826,517	40,657,783	41,826,517	40,657,783
- Syndicated term loans/financing	4,674,649	4,059,293	4,674,649	4,059,293
- Other term loans/financing*	32,663,416	31,267,921	33,056,651	31,570,207
Credit card receivables	10,280,056	9,670,098	10,280,056	9,670,098
Bills receivables	417,424	197,554	417,424	197,554
Trust receipts	8,322,417	7,886,076	8,322,417	7,886,076
Claims on customers under acceptance credits	5,703,755	6,172,720	5,703,755	6,172,720
Revolving credits	5,946,729	6,762,626	5,946,729	6,762,626
Staff loans	133,930	121,357	133,930	121,357
	112,768,286	109,702,419	113,161,521	110,004,705
Unearned interest/profit	(210,357)	(174,365)	(210,357)	(174,365)
Gross loans, advances and financing	112,557,929	109,528,054	112,951,164	109,830,340
Allowance for ECL on loans, advances and financing:				
- Stage 1 - 12-month ECL	(709,242)	(832,959)	(711,842)	(835,616)
- Stage 2 - Lifetime ECL non credit-impaired	(896,403)	(941,366)	(896,403)	(941,366)
- Stage 3 - Lifetime ECL credit-impaired	(748,140)	(656,292)	(748,140)	(656,292)
Net loans, advances and financing	110,204,144	107,097,437	110,594,779	107,397,066

* Other term loans/financing include the following:

Loans/financing to subsidiaries:				
- UOB Properties Bhd	-	-	79,992	69,014
- UOB Properties (KL) Bhd	-	-	313,243	233,272
	-	-	393,235	302,286

(i) Gross loans, advances and financing by remaining contractual maturity are as follows:

Maturing within one year	36,364,875	35,765,586	36,758,110	36,067,872
One year to three years	5,703,224	7,158,247	5,703,224	7,158,247
Three years to five years	9,906,236	8,075,302	9,906,236	8,075,302
Over five years	60,583,594	58,528,919	60,583,594	58,528,919
	112,557,929	109,528,054	112,951,164	109,830,340

11. Loans, Advances and Financing (Continued)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(ii) Gross loans, advances and financing by type of customers are as follows:				
Domestic non-banking financial institutions	1,962,692	2,571,139	1,962,692	2,571,139
Domestic business enterprises:				
- Small and medium enterprises	23,047,653	23,601,584	23,047,653	23,601,584
- Others	24,415,537	21,797,863	24,808,772	22,100,149
Individuals	58,148,913	56,858,938	58,148,913	56,858,938
Foreign entities	4,983,134	4,698,530	4,983,134	4,698,530
	112,557,929	109,528,054	112,951,164	109,830,340
(iii) Gross loans, advances and financing by interest/profit rate sensitivity are as follows:				
Fixed rate:				
- Housing loans/financing	93,619	88,075	93,619	88,075
- Other fixed rate loans/financing	17,594,417	17,233,788	17,594,417	17,233,788
Variable rate:				
- Base rate/base lending/financing rate-plus	61,901,038	61,212,177	61,901,038	61,212,177
- Cost-plus	32,667,068	30,584,904	33,060,303	30,887,190
- Other variable rates	301,787	409,110	301,787	409,110
	112,557,929	109,528,054	112,951,164	109,830,340
(iv) Gross loans, advances and financing by economic sector are as follows:				
Agriculture, hunting, forestry and fishing	744,419	938,952	744,419	938,952
Mining and quarrying	425,789	254,559	425,789	254,559
Manufacturing	12,078,880	10,378,354	12,078,880	10,378,354
Electricity, gas and water	1,110,333	1,473,706	1,110,333	1,473,706
Construction	9,551,147	7,584,464	9,551,147	7,584,464
Wholesale, retail trade, restaurants and hotels	13,879,767	15,172,522	13,879,767	15,172,522
Transport, storage and communication	4,374,532	4,549,170	4,374,532	4,549,170
Finance, insurance and business services	2,814,150	3,304,755	2,814,150	3,304,755
Real estate	4,741,063	4,231,268	5,134,298	4,533,554
Community, social and personal services	178,479	372,223	178,479	372,223
Households:				
- Purchase of residential properties	42,407,394	41,243,458	42,407,394	41,243,458
- Purchase of non-residential properties	7,244,417	7,486,496	7,244,417	7,486,496
- Others	13,007,559	12,538,127	13,007,559	12,538,127
	112,557,929	109,528,054	112,951,164	109,830,340

11. Loans, Advances and Financing (Continued)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(v) Gross loans, advances and financing by geographical distribution are as follows:				
In Malaysia	107,574,795	104,829,524	107,968,030	105,131,810
Outside Malaysia	4,983,134	4,698,530	4,983,134	4,698,530
	112,557,929	109,528,054	112,951,164	109,830,340

(vi) Movements in credit-impaired loans, advances and financing are as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
At 1 January	2,663,010	2,831,791
Classified as credit-impaired	1,238,675	1,010,709
Amount recovered	(319,962)	(333,351)
Reclassified as non credit-impaired	(318,096)	(380,562)
Amount written-off	(374,087)	(465,577)
Gross credit-impaired loans, advances and financing	2,889,540	2,663,010
Less: Stage 3 - Lifetime ECL credit-impaired	(748,140)	(656,292)
Net credit-impaired loans, advances and financing	2,141,400	2,006,718
Ratio of net credit-impaired loans, advances and financing to gross loans, advances and financing less allowance for ECL on credit-impaired provisions	1.9%	1.8%

11. Loans, Advances and Financing (Continued)

(vii) Movements in the allowance for ECL on loans, advances and financing are as follows:

Group	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	832,959	941,366	656,292	2,430,617
Transferred to Stage 1	82,776	(72,853)	(9,923)	-
Transferred to Stage 2	(10,764)	36,564	(25,800)	-
Transferred to Stage 3	(2,006)	(47,550)	49,556	-
Net remeasurement of allowance	(58,319)	88,094	293,070	322,845
Allowance made	152,805	92,146	126,875	371,826
Maturity/settlement/repayment	(284,946)	(138,621)	(73,458)	(497,025)
Exchange differences	(3,263)	(2,743)	-	(6,006)
Net total (Note 34)	(123,717)	(44,963)	360,320	191,640
Amounts written-off	-	-	(267,999)	(267,999)
Other movements	-	-	(473)	(473)
At 31 December	709,242	896,403	748,140	2,353,785
2024				
At 1 January	355,716	1,405,055	754,736	2,515,507
Transferred to Stage 1	112,793	(90,296)	(22,497)	-
Transferred to Stage 2	(12,100)	39,254	(27,154)	-
Transferred to Stage 3	(1,496)	(29,551)	31,047	-
Net remeasurement of allowance	269,322	(266,162)	244,831	247,991
Allowance made	227,450	134,852	115,984	478,286
Maturity/settlement/repayment	(116,970)	(251,235)	(85,576)	(453,781)
Exchange differences	(1,756)	(551)	-	(2,307)
Net total (Note 34)	477,243	(463,689)	256,635	270,189
Amounts written-off	-	-	(355,002)	(355,002)
Other movements	-	-	(77)	(77)
At 31 December	832,959	941,366	656,292	2,430,617

11. Loans, Advances and Financing (Continued)

(vii) Movements in the allowance for ECL on loans, advances and financing are as follows (Continued):

Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	835,616	941,366	656,292	2,433,274
Transferred to Stage 1	82,776	(72,853)	(9,923)	-
Transferred to Stage 2	(10,764)	36,564	(25,800)	-
Transferred to Stage 3	(2,006)	(47,550)	49,556	-
Net remeasurement of allowance	(58,319)	88,094	293,070	322,845
Allowance made	152,805	92,146	126,875	371,826
Maturity/settlement/repayment	(285,003)	(138,621)	(73,458)	(497,082)
Exchange differences	(3,263)	(2,743)	-	(6,006)
Net total (Note 34)	(123,774)	(44,963)	360,320	191,583
Amounts written-off	-	-	(267,999)	(267,999)
Other movements	-	-	(473)	(473)
At 31 December	711,842	896,403	748,140	2,356,385
2024				
At 1 January	357,818	1,405,055	754,736	2,517,609
Transferred to Stage 1	112,793	(90,296)	(22,497)	-
Transferred to Stage 2	(12,100)	39,254	(27,154)	-
Transferred to Stage 3	(1,496)	(29,551)	31,047	-
Net remeasurement of allowance	269,322	(266,162)	244,831	247,991
Allowance made	228,005	134,852	115,984	478,841
Maturity/settlement/repayment	(116,970)	(251,235)	(85,576)	(453,781)
Exchange differences	(1,756)	(551)	-	(2,307)
Net total (Note 34)	477,798	(463,689)	256,635	270,744
Amounts written-off	-	-	(355,002)	(355,002)
Other movements	-	-	(77)	(77)
At 31 December	835,616	941,366	656,292	2,433,274

11. Loans, Advances and Financing (Continued)

(viii) Gross credit-impaired loans, advances and financing by economic sector are as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Mining and quarrying	568	568
Manufacturing	105,857	100,382
Electricity, gas and water	2	17
Construction	749,209	679,950
Wholesale, retail trade, restaurants and hotels	374,712	318,604
Transport, storage and communication	44,976	35,581
Finance, insurance and business services	28,730	33,609
Real estate	223,819	240,719
Community, social and personal services	3,904	3,989
Households:		
- Purchase of residential properties	999,091	920,067
- Purchase of non-residential properties	160,823	149,784
- Others	197,849	179,740
	2,889,540	2,663,010

(ix) Gross credit-impaired loans, advances and financing by geographical distribution are as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
In Malaysia	2,783,990	2,570,791
Outside Malaysia	105,550	92,219
	2,889,540	2,663,010

12. Statutory Deposits with Bank Negara Malaysia

The non-interest bearing statutory deposits are maintained with Bank Negara Malaysia (BNM) in compliance with Section 26(2)(c) and Section 26(3) of the Central Bank of Malaysia Act 2009. The amounts are set at a predetermined percentage of total eligible liabilities.

13. Investment in Subsidiaries

	Bank	
	2025 RM'000	2024 RM'000
Unquoted shares in Malaysia, at cost		
At 1 January/31 December	20	20
Redeemable preference shares in Malaysia, at cost		
At 1 January	350,000	350,000
Partial redemption of preference shares from a subsidiary (Note (b))	(80,000)	-
At 31 December (Note (c))	270,000	350,000
Total investment in subsidiaries	270,020	350,020

The subsidiaries of the Bank, all of which are incorporated in Malaysia and held directly by the Bank (except as indicated*), are as follows:

	Paid-up capital	Group's effective interest		Principal activities
	RM	2025 %	2024 %	
UOB Properties (KL) Bhd* (held directly by UOB Properties Bhd)	2	100	100	Property investment holding and property management company
UOB Properties Bhd	7	100	100	Property holding company
UOBM Nominees (Tempatan) Sdn Bhd	10,000	100	100	Nominee services
UOBM Nominees (Asing) Sdn Bhd	10,000	100	100	Nominee services
UOB Credit Bhd	2	100	100	Dormant
UOB 2006 Nominees (Tempatan) Sdn Bhd	10,000	100	100	Nominee services

13. Investment in Subsidiaries (Continued)

(a) In July 2017, the Board of UOB Properties (KL) Bhd approved the issuance of redeemable preference shares amounting to RM600,000,000 over the period from 1 July 2017 to 31 January 2021. Subsequently in March 2021, the Board of UOB Properties (KL) Bhd has approved the extension till 30 June 2023. As at 31 December 2022, the Bank has subscribed to 570,000,000 units of redeemable preference shares amounting to RM570,000,000. The preference shares rank ahead of the ordinary shares in the event of liquidation. The redemption of the redeemable preference shares are solely at the discretion of UOB Properties (KL) Bhd and it does not carry the right to any dividends.

(b) In June 2025, the Board of UOB Properties (KL) Bhd approved the partial redemption of 80,000,000 units of Redeemable Preference Shares (RPS) amounting to RM80,000,000 subscribed by the Bank.

(c) As at 31 December 2025, the Bank has 270,000,000 units of redeemable preference shares amounting to RM270,000,000.

All trading transactions of UOBM Nominees (Tempatan) Sdn Bhd, UOBM Nominees (Asing) Sdn Bhd and UOB 2006 Nominees (Tempatan) Sdn Bhd are entered into as agents for the Bank and the records accordingly are incorporated into the books and financial statements of the Bank.

All of the subsidiaries are audited by Ernst & Young PLT.

14. Investment in an Associate

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares, at cost	24,513	24,513	24,513	24,513
Accumulated impairment loss	(19,755)	(19,755)	(19,755)	(19,755)
	4,758	4,758	4,758	4,758
Share of post-acquisition reserves	(4,340)	(4,340)	-	-
	418	418	4,758	4,758

14. Investment in an Associate (Continued)

The details of the associate, which is incorporated in Malaysia, are as follows:

	Group's effective interest		Principal activities	Accounting model applied
	2025 %	2024 %		
Uni.Asia Capital Sdn Bhd ("Uni.Asia Capital")	49	49	Investment holding company	Equity

The summarised financial information of the associate as at 31 December is as follows:

	2025 RM'000	2024 RM'000
Assets and liabilities		
Current assets	18,893	18,893
Total assets	18,893	18,893
Current liabilities	73	73
Total liabilities	73	73

At 31 December 2025, the amount of goodwill for Uni.Asia Capital included within the Group was RM19,755,000 (2024: RM19,755,000), all of which were allocated to the investment in an associate as a cash generating unit and it has been fully impaired.

15. Property, Plant and Equipment

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Office furniture, fittings and equipment RM'000	Computer equipment and software RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
2025								
Cost or valuation								
At 1 January:								
- At cost	-	-	-	428,013	1,055,577	8,248	57,330	1,549,168
- At valuation	193,516	97,246	758,613	-	-	-	-	1,049,375
	193,516	97,246	758,613	428,013	1,055,577	8,248	57,330	2,598,543
Additions	-	-	6,366	5,629	48,319	3,742	84,440	148,496
Revaluation surplus	26,385	8,921	24,899	-	-	-	-	60,205
Reclassifications	-	-	-	22,356	49,743	-	(72,099)	-
Disposals/write-off	-	(4,121)	(14,831)	(5,170)	(8,780)	(2,915)	-	(35,817)
At 31 December	219,901	102,046	775,047	450,828	1,144,859	9,075	69,671	2,771,427
Representing:								
- At cost	-	-	-	450,828	1,144,859	9,075	69,671	1,674,433
- At valuation	219,901	102,046	775,047	-	-	-	-	1,096,994
At 31 December	219,901	102,046	775,047	450,828	1,144,859	9,075	69,671	2,771,427
Accumulated depreciation								
At 1 January	-	27,298	196,872	214,651	643,257	5,986	-	1,088,064
Depreciation charge (Note 32)	-	1,510	16,037	34,521	106,795	1,478	-	160,341
Disposals/write-off	-	(2,406)	(5,537)	(5,124)	(8,730)	(2,915)	-	(24,712)
At 31 December	-	26,402	207,372	244,048	741,322	4,549	-	1,223,693
Impairment loss								
At 1 January	730	-	89,700	-	-	-	-	90,430
Write-back	(580)	-	(19,874)	-	-	-	-	(20,454)
At 31 December	150	-	69,826	-	-	-	-	69,976
Net carrying amount								
At cost	-	-	-	206,780	403,537	4,526	69,671	684,514
At valuation	219,751	75,644	497,849	-	-	-	-	793,244
At 31 December	219,751	75,644	497,849	206,780	403,537	4,526	69,671	1,477,758

15. Property, Plant and Equipment (Continued)

Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Office furniture, fittings and equipment RM'000	Computer equipment and software RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
2024								
Cost or valuation								
At 1 January:								
- At cost	-	-	-	413,337	893,957	8,473	83,701	1,399,468
- At valuation	193,516	97,246	758,613	-	-	-	-	1,049,375
	193,516	97,246	758,613	413,337	893,957	8,473	83,701	2,448,843
Additions	-	-	-	11,058	45,722	-	96,833	153,613
Reclassifications	-	-	-	4,271	118,499	-	(122,770)	-
Disposals/write-off	-	-	-	(653)	(2,601)	(225)	(434)	(3,913)
At 31 December	193,516	97,246	758,613	428,013	1,055,577	8,248	57,330	2,598,543
Representing:								
- At cost	-	-	-	428,013	1,055,577	8,248	57,330	1,549,168
- At valuation	193,516	97,246	758,613	-	-	-	-	1,049,375
At 31 December	193,516	97,246	758,613	428,013	1,055,577	8,248	57,330	2,598,543
Accumulated depreciation								
At 1 January	-	25,985	182,169	181,595	549,812	5,243	-	944,804
Depreciation charge (Note 32)	-	1,313	14,703	33,376	96,023	968	-	146,383
Disposals/write-off	-	-	-	(320)	(2,578)	(225)	-	(3,123)
At 31 December	-	27,298	196,872	214,651	643,257	5,986	-	1,088,064
Impairment loss								
At 1 January	830	-	100,489	-	-	-	-	101,319
Write-back	(100)	-	(10,789)	-	-	-	-	(10,889)
At 31 December	730	-	89,700	-	-	-	-	90,430
Net carrying amount								
At cost	-	-	-	213,362	412,320	2,262	57,330	685,274
At valuation	192,786	69,948	472,041	-	-	-	-	734,775
At 31 December	192,786	69,948	472,041	213,362	412,320	2,262	57,330	1,420,049

15. Property, Plant and Equipment (Continued)

Bank	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Office furniture, fittings and equipment RM'000	Computer equipment and software RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
2025								
Cost								
At 1 January	-	-	-	407,894	1,055,246	8,248	54,053	1,525,441
Additions	-	-	-	5,212	48,258	3,742	80,674	137,886
Reclassifications	-	-	-	22,356	49,743	-	(72,099)	-
Disposals/write-off	-	-	-	(5,170)	(8,780)	(2,915)	-	(16,865)
At 31 December	-	-	-	430,292	1,144,467	9,075	62,628	1,646,462
Accumulated depreciation								
At 1 January	-	-	-	202,329	642,989	5,986	-	851,304
Depreciation charge (Note 32)	-	-	-	32,403	106,733	1,478	-	140,614
Disposals/write-off	-	-	-	(5,124)	(8,730)	(2,915)	-	(16,769)
At 31 December	-	-	-	229,608	740,992	4,549	-	975,149
Net carrying amount								
At 31 December	-	-	-	200,684	403,475	4,526	62,628	671,313
2024								
Cost								
At 1 January	-	-	-	393,484	893,546	8,473	82,802	1,378,305
Additions	-	-	-	10,792	45,712	-	94,455	150,959
Reclassifications	-	-	-	4,271	118,499	-	(122,770)	-
Disposals/write-off	-	-	-	(653)	(2,511)	(225)	(434)	(3,823)
At 31 December	-	-	-	407,894	1,055,246	8,248	54,053	1,525,441
Accumulated depreciation								
At 1 January	-	-	-	171,258	549,536	5,243	-	726,037
Depreciation charge (Note 32)	-	-	-	31,391	95,941	968	-	128,300
Disposals/write-off	-	-	-	(320)	(2,488)	(225)	-	(3,033)
At 31 December	-	-	-	202,329	642,989	5,986	-	851,304
Net carrying amount								
At 31 December	-	-	-	205,565	412,257	2,262	54,053	674,137

15. Property, Plant and Equipment (Continued)

The net carrying amounts of land and buildings, had these assets been carried at cost less accumulated depreciation, are as follows:

	Group	
	2025 RM'000	2024 RM'000
Freehold land	88,064	88,064
Leasehold land	6,701	6,921
Buildings	513,249	528,379
	608,014	623,364

16. Right-of-use Assets and Lease Liabilities

Group and Bank as lessee

The Group and the Bank have lease contracts for various buildings used in their operations. Leases of buildings generally have lease terms of 3 years. There are several lease contracts that include extension and termination options, which are further elaborated below.

Set out below are the carrying amounts recognised and the movements during the period:

	Buildings			
	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Right-of-use assets				
Cost				
At 1 January	90,977	77,676	492,741	508,554
Additions	5,453	35,015	154,619	33,622
Modification/termination	(6,640)	-	(9,948)	-
Depreciation charge (Note 32)	(22,323)	(21,714)	(62,627)	(49,435)
At 31 December	67,467	90,977	574,785	492,741
Lease liabilities				
At 1 January	98,910	84,147	529,799	532,075
Additions	5,453	35,015	154,619	33,622
Modification/termination	(6,640)	-	(9,948)	-
Accretion of interest (Note 30)	2,797	2,902	24,126	19,792
Lease payments	(24,118)	(23,154)	(60,990)	(55,690)
At 31 December	76,402	98,910	637,606	529,799

16. Right-of-use Assets and Lease Liabilities (Continued)

Group and Bank as lessee (Continued)

The Group and the Bank have several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's and the Bank's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease terms:

2025	Within 1 year RM'000	More than 1 year RM'000	Total RM'000
Group			
Extension options expected not to be exercised	-	-	-
Bank			
Extension options expected not to be exercised	-	-	-
2024			
Group			
Extension options expected not to be exercised	-	4,747	4,747
Bank			
Extension options expected not to be exercised	371	6,604	6,975

17. Intangible Assets

Group and Bank	Goodwill RM'000	Other intangible assets* RM'000	Total RM'000
2025			
Cost			
At 1 January/31 December	350,557	131,000	481,557
Accumulated amortisation			
At 1 January	-	(28,383)	(28,383)
Amortisation charged for the financial year (Note 32)	-	(13,100)	(13,100)
At 31 December	-	(41,483)	(41,483)
Net carrying amount			
At 31 December	350,557	89,517	440,074
2024			
Cost			
At 1 January/31 December	350,557	131,000	481,557
Accumulated amortisation			
At 1 January	-	(15,283)	(15,283)
Amortisation charged for the financial year (Note 32)	-	(13,100)	(13,100)
At 31 December	-	(28,383)	(28,383)
Net carrying amount			
At 31 December	350,557	102,617	453,174

* Comprising Core Deposit Intangibles and Customer Relationship

17. Intangible Assets (Continued)

Impairment tests for goodwill

Goodwill was allocated on the date of acquisition to the reportable business segments expected to benefit from the synergies of business combination. The recoverable amount of business segments is based on their value in use, computed by discounting the expected future cash flows of the segments. The key assumptions in computing the value in use include the discount rates and growth rates applied. Discount rates are estimated based on current market assessments of time value of money and risks specific to the asset. The terminal growth rate used does not exceed the historical long-term average growth rates. Cash flow projections are based on the most recent five-year financial forecasts provided by key business segments and approved by management. These cash flows are derived based on the outlook of macroeconomic conditions from external sources, in particular, interest rates and foreign exchange rates, taking into account management's past experience on the impact of such changes to the cash flows of the Bank. Long-term growth rates are imputed on fifth-year cash flow and then discounted to determine the terminal value. Key assumptions are as follows:

	2025	2024
Discount rate	10.05%	8.52%
Projected average growth rate	4.64%	4.78%
Terminal growth rate	3.91%	4.04%

18. Deferred Tax Assets/(Liabilities)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	363,754	351,843	381,222	368,342
Charged to the profit or loss (Note 35)	7,999	16,478	5,409	17,447
Recognised in OCI	(35,812)	(4,567)	(21,363)	(4,567)
At 31 December	335,941	363,754	365,268	381,222

18. Deferred Tax Assets/(Liabilities) (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities in respect of each entity and when the deferred income taxes relate to the same tax authority. The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets, net	374,506	390,844	365,268	381,222
Deferred tax liabilities, net	(38,565)	(27,090)	-	-
	335,941	363,754	365,268	381,222

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

Deferred tax assets	530,372	525,915	632,994	599,668
Deferred tax liabilities	(194,431)	(162,161)	(267,726)	(218,446)
	335,941	363,754	365,268	381,222

The components and movements in deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows:

Deferred tax assets

Group	Provisions RM'000	Lease liabilities RM'000	Deferred income RM'000	Allowance for ECL RM'000	Total RM'000
2025					
At 1 January	205,918	23,738	5,119	291,140	525,915
Charged to profit or loss	(26,547)	(5,402)	1,881	34,525	4,457
At 31 December	179,371	18,336	7,000	325,665	530,372
2024					
At 1 January	215,668	20,195	5,433	255,880	497,176
Charged to profit or loss	(9,750)	3,543	(314)	35,260	28,739
At 31 December	205,918	23,738	5,119	291,140	525,915

18. Deferred Tax Assets/(Liabilities) (Continued)

The components and movements in deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows (Continued):

Deferred tax liabilities

Group	Other intangible assets RM'000	Property, plant and equipment RM'000	Right-of-use assets RM'000	FVOCI reserve RM'000	Total RM'000
2025					
At 1 January	24,628	88,807	21,834	26,892	162,161
Charged to profit or loss	(3,144)	5,244	(5,642)	-	(3,542)
Recognised in OCI	-	14,449	-	21,363	35,812
At 31 December	21,484	108,500	16,192	48,255	194,431
2024					
At 1 January	27,772	76,594	18,642	22,325	145,333
Charged to profit or loss	(3,144)	12,213	3,192	-	12,261
Recognised in OCI	-	-	-	4,567	4,567
At 31 December	24,628	88,807	21,834	26,892	162,161

Deferred tax assets

Bank	Provisions RM'000	Lease liabilities RM'000	Deferred income RM'000	Allowance for ECL RM'000	Total RM'000
2025					
At 1 January	176,256	127,152	5,119	291,141	599,668
Charged to profit or loss	(28,953)	25,873	1,881	34,525	33,326
At 31 December	147,303	153,025	7,000	325,666	632,994
2024					
At 1 January	186,417	127,698	5,433	255,881	575,429
Charged to profit or loss	(10,161)	(546)	(314)	35,260	24,239
At 31 December	176,256	127,152	5,119	291,141	599,668

18. Deferred Tax Assets/(Liabilities) (Continued)

The components and movements in deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows (Continued):

Deferred tax liabilities

Bank	Other intangible assets RM'000	Property, plant and equipment RM'000	Right-of-use assets RM'000	FVOCI reserve RM'000	Total RM'000
2025					
At 1 January	24,628	48,669	118,258	26,891	218,446
Charged to profit or loss	(3,144)	11,371	19,690	-	27,917
Recognised in OCI	-	-	-	21,363	21,363
At 31 December	21,484	60,040	137,948	48,254	267,726
2024					
At 1 January	27,772	34,938	122,053	22,324	207,087
Charged to profit or loss	(3,144)	13,731	(3,795)	-	6,792
Recognised in OCI	-	-	-	4,567	4,567
At 31 December	24,628	48,669	118,258	26,891	218,446

The amounts of net deferred tax assets, calculated at the current applicable tax rate, which are not recognised in the financial statements due to uncertainty of their realisation, are as follows:

	Group	
	2025 RM'000	2024 RM'000
Unutilised tax losses	131	131
Unabsorbed capital allowances	23,261	86,392
	23,392	86,523

The unutilised tax losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group for another 10 consecutive years effective from Year of Assessment 2019. The unabsorbed capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group.

These utilisation of carried forward tax losses and allowances are also subject to no substantial change in shareholdings of those entities under the Income Tax Act 1967 and guidelines issued by the tax authority.

19. Deposits From Customers

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Demand deposits	43,256,099	38,361,113	43,272,177	38,378,729
Savings deposits	12,743,778	12,019,918	12,743,778	12,019,918
Fixed deposits	62,634,384	61,740,182	62,634,384	61,740,182
Money market deposits	1,956,251	2,031,150	1,956,251	2,031,150
Others	718,379	433,222	719,262	434,104
	121,308,891	114,585,585	121,325,852	114,604,083
Demand deposits from subsidiaries:				
- UOB Properties Bhd	-	-	2,591	2,148
- UOB Properties (KL) Bhd	-	-	14,594	16,574
	-	-	17,185	18,722
Demand deposits from related companies:				
- UOB Centre of Excellence (M) Sdn Bhd	500	500	500	500
- Chung Khiaw Realty Limited	539	539	539	539
	1,039	1,039	1,039	1,039

(i) The remaining maturity of fixed deposits and money market deposits are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Due within six months	54,593,091	50,851,434	54,593,091	50,851,434
Six months to one year	9,982,947	12,893,016	9,982,947	12,893,016
One year to three years	14,597	26,497	14,597	26,497
Three years to five years	-	385	-	385
	64,590,635	63,771,332	64,590,635	63,771,332

19. Deposits From Customers (Continued)

(ii) The deposits are sourced from the following type of customers:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Business enterprises	39,679,907	34,476,283	39,696,868	34,494,781
Individuals	63,715,194	61,811,182	63,715,194	61,811,182
Foreign entities	8,638,201	8,905,881	8,638,201	8,905,881
Others	9,275,589	9,392,239	9,275,589	9,392,239
	121,308,891	114,585,585	121,325,852	114,604,083

20. Deposits and Placements of Banks and Other Financial Institutions

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Licensed banks in Malaysia	607,200	487,126	607,200	487,126
Bank Negara Malaysia*	997,887	982,339	997,887	982,339
Other financial institutions**	13,732,454	13,163,355	13,732,474	13,163,375
	15,337,541	14,632,820	15,337,561	14,632,840

* Included in the deposits from BNM is an amount of RM402,297,785 (2024: RM388,332,630) placed by BNM for the purposes of funding the Fund for All Economic Sectors.

Also included herewith is an amount of RM590,909,000 (2024: RM590,909,000) relating to funds received under a government financing scheme for the purpose of SME lending at a below market and concession rate with remaining maturity of more than three years.

The amounts loaned to customers of the Bank are included in loans, advances and financing.

** Included in the deposits from other financial institutions are the deposit placement from the ultimate holding company amounting to RM13,731,612,000 (2024: RM12,889,015,000), deposit placement from subsidiaries amounting to RM20,000 (2024: RM20,000) and deposit placement from fellow subsidiaries amounting to RM838,000 (2024: RM439,000).

21. Other Liabilities

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Allowance for ECL on commitments and contingencies (Note (a))	207,206	221,914	207,206	221,914
Interest/profit payable	381,672	466,539	381,672	466,539
Accruals and provisions for operational expenses	332,723	468,240	323,948	465,377
Other payables and accruals	1,437,235	916,350	1,436,839	898,685
Structured deposits	959,273	1,918,526	959,273	1,918,526
Customer gold accounts	1,060,299	514,586	1,060,299	514,586
Deferred income	29,168	21,331	29,168	21,331
	4,407,576	4,527,486	4,398,405	4,506,958

(a) Movements in the allowance for ECL on irrevocable commitments and contingencies are as follows:

Group and Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	130,080	67,319	24,515	221,914
Transferred to Stage 1	33,432	(33,432)	-	-
Transferred to Stage 2	(2,135)	2,135	-	-
Transferred to Stage 3	-	(4)	4	-
Net remeasurement of allowance	(18,627)	12,813	5,524	(290)
Allowance made	71,605	24,560	23,672	119,837
Maturity/settlement/repayment	(104,123)	(26,349)	(1,245)	(131,717)
Exchange differences	(941)	(202)	-	(1,143)
Net total (Note 34)	(20,789)	(20,479)	27,955	(13,313)
Other movements	-	-	(1,395)	(1,395)
At 31 December	109,291	46,840	51,075	207,206

21. Other Liabilities (Continued)

(a) Movements in the allowance for ECL on irrevocable commitments and contingencies are as follows (Continued):

Group and Bank	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL non credit-impaired RM'000	Stage 3 Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2024				
At 1 January	83,399	92,569	29,297	205,265
Transferred to Stage 1	53,386	(53,386)	-	-
Transferred to Stage 2	(3,060)	3,060	-	-
Net remeasurement of allowance	(36,196)	21,468	-	(14,728)
Allowance made	80,171	27,473	1,657	109,301
Maturity/settlement/repayment	(47,304)	(23,845)	(6,043)	(77,192)
Exchange differences	(316)	(20)	-	(336)
Net total (Note 34)	46,681	(25,250)	(4,386)	17,045
Other movements	-	-	(396)	(396)
At 31 December	130,080	67,319	24,515	221,914

22. Subordinated Bonds/Sukuk

	Group and Bank	
(a) At amortised cost	**2025 RM'000**	**2024 RM'000**
RM750.0 million subordinated bond 2020/2030, at par (i)	-	749,352
RM1.0 billion subordinated bond 2022/2032, at par (ii)	1,000,000	1,000,000
RM500.0 million subordinated sukuk 2024/2034, at par (iii)	500,000	500,000
RM750.0 million subordinated sukuk 2025/2037, at par (iv)	750,000	-
	2,250,000	2,249,352

22. Subordinated Bonds/Sukuk (Continued)

(i) On 3 August 2020, the Bank issued RM750.0 million Basel III compliant Tier 2 subordinated bonds (10 years maturity, non-callable 5 years) (the Bond 1).

The Bond 1 bears interest at the rate of 3.00% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated bonds.

The interest is payable semi-annually in arrears on 3 February and 3 August each year commencing 3 February 2021.

The Bond 1 has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

On 1 August 2025, the Bank has fully redeemed Bond 1.

(ii) On 27 October 2022, the Bank issued RM1.0 billion Basel III compliant Tier 2 subordinated bonds (10 years maturity, non-callable 5 years) (the Bond 2).

The Bond 2 bears interest at the rate of 4.91% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated bonds.

The Bond 2 may be redeemed at par at the option of the Bank, in part or in whole, on 27 October 2027 or at any interest payment date thereafter.

The interest is payable semi-annually in arrears on 27 April and 27 October each year commencing 27 April 2023.

The Bond 2 has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

(iii) On 8 February 2024, the Bank issued RM500.0 million Basel III compliant Tier 2 subordinated Islamic Medium Term Notes (10 years maturity, non-callable 5 years) (the Sukuk 1).

The Sukuk 1 bears profit at the rate of 4.01% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated sukuk.

The Sukuk 1 may be redeemed at par at the option of the Bank, in part or in whole, on 8 February 2029 or at any profit payment date thereafter.

The profit is payable semi-annually in arrears on 8 August and 8 February each year commencing 8 August 2024.

The Sukuk 1 has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

22. Subordinated Bonds/Sukuk (Continued)

(iv) On 3 July 2025, the Bank issued RM750.0 million Basel III compliant Tier 2 subordinated Islamic Medium Term Notes (12 years maturity, non-callable 7 years) (the Sukuk 2).

The Sukuk 2 bears profit at the rate of 3.85% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated sukuk.

The Sukuk 2 may be redeemed at par at the option of the Bank, in part or in whole, on 2 July 2032 or at any profit payment date thereafter.

The profit is payable semi-annually in arrears on 3 January and 3 July each year commencing 3 January 2026.

The Sukuk 2 has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

(v) Fair value hedge

As at 31 December 2025, the Group and the Bank no longer had any hedging arrangements for the subordinated bonds, following the redemption of the Bond 1.

The reversal of an unrealised gain of RM648,000 was recognised in trading and investment income during the financial year (Note 31), upon the redemption of the Bond 1.

The net gain and loss arising from fair value hedge during the year are as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Gain/(loss) on hedging instrument	648	(376)
(Loss)/gain on the hedged item attributable to the hedged risk (Note 31)	(648)	376
	-	-

(b) An analysis of changes in liabilities arising from financing activities for the financial year ended 31 December 2025 is as follows:

	Bank borrowings	
	2025 RM'000	2024 RM'000
At 1 January	2,249,352	1,749,728
Issuance during the year	750,000	500,000
Redemption during the year	(750,000)	-
Revaluation loss/(gain)	648	(376)
At 31 December	2,250,000	2,249,352

23. Share Capital

	Group and Bank 2025		Group and Bank 2024	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid ordinary shares				
At 1 January/At 31 December	470,000	792,555	470,000	792,555

24. Reserves

	Note	Group 2025 RM'000	Group 2024 RM'000	Bank 2025 RM'000	Bank 2024 RM'000
Non-distributable					
Revaluation reserve	(a)	271,914	233,477	-	-
FVOCI reserve		159,713	92,062	152,810	85,159
		431,627	325,539	152,810	85,159
Distributable					
Retained profits	(b)	14,407,784	13,902,695	14,523,580	14,055,169
Total reserves		14,839,411	14,228,234	14,676,390	14,140,328

(a) The revaluation reserve is in respect of gain from revaluation of freehold land, leasehold land and buildings.

(b) The Bank may distribute dividends out of its entire retained profits as at 31 December 2025 under the single-tier system.

25. Financial Derivatives

Financial derivatives are instruments whose values change in response to the change in one or more "underlying", such as foreign exchange rate, security price and credit index. They include forwards, swaps, futures, options and credit derivatives. In the normal course of business, the Group and the Bank customise derivatives to meet specific needs of their customers. The Group and the Bank also transact in these derivatives for proprietary trading purposes as well as to manage their assets/liabilities and structural positions. While the Group and the Bank also enter into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases for customers, these other contracts are not designated as hedge relationships and are measured at fair value through profit or loss.

25. Financial Derivatives (Continued)

The fair values of the financial derivatives are as follows:

Group and Bank	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
2025			
Trading derivatives			
Foreign exchange related contracts:			
- Forwards	30,162,275	106,991	882,791
- Swaps	72,134,329	986,169	1,134,227
- Options	1,354,009	4,677	11,336
Interest/profit rate related contracts:			
- Swaps	185,971,222	1,159,213	508,043
Equity related contracts:			
- Swaps	328,800	116	21,606
- Options	77,411	1,703	2,441
Precious metals contracts:			
- Forwards	59,639	53	368
Commodity related contracts:			
- Swaps	229,795	14,409	11,879
- Futures	95,750	405	2,342
- Options	567	6	-
Credit derivative contracts:			
- Swaps	5,315	356	-
Hedging derivatives			
Interest rate related contracts:			
- Swaps	2,426,149	27,677	1,556
		2,301,775	2,576,589

25. Financial Derivatives (Continued)

The fair values of the financial derivatives are as follows (Continued):

Group and Bank	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
2024			
Trading derivatives			
Foreign exchange related contracts:			
- Forwards	22,458,932	310,378	201,127
- Swaps	69,707,640	459,109	745,699
- Options	932,151	6,208	2,857
Interest/profit rate related contracts:			
- Swaps	117,496,041	515,751	385,784
- Futures	835	14	-
- Options	25,246	-	35
Equity related contracts:			
- Swaps	84,799	114	3,882
- Options	56,409	2,015	1,251
Precious metals contracts:			
- Forwards	788,695	3,204	3,223
Commodity related contracts:			
- Swaps	423,137	5,521	14,917
- Futures	40,240	1,797	54
- Options	143,870	868	868
Credit derivative contracts:			
- Swaps	5,857	234	-
Hedging derivatives			
Interest rate related contracts:			
- Swaps	750,000	-	648
		1,305,213	1,360,345

The table above analyses the principal amounts and the positive and negative fair values of the Group's and the Bank's financial derivatives. The notional amounts of these instruments indicate the value of transactions outstanding at the reporting date for both trading and hedging instruments. They do not necessarily indicate the amount of future cash flows or the fair value of the derivatives and therefore, do not represent total amount of risk. The positive and negative fair values represent the favourable and unfavourable fair values respectively of hedging and trading derivatives as a result of fluctuations in the value of the underlying relative to their contractual terms as at reporting date.

26. Hedge Accounting

To protect itself against changes in the fair value of financial assets and financial liabilities due to movements in interest rates, the Bank enters into fair value hedge relationships. The Bank primarily uses interest rate swap to hedge the interest rate risk of the debt instruments and the subordinated bonds.

The impact of the hedging instruments and hedged items on the balance sheet as at 31 December is as follows:

Group and Bank	Carrying amount RM'000	Changes in fair value Gain/(loss) RM'000	Type of risk hedged	Notional amount RM'000	Maturity profile of hedging instruments
2025					
Hedging instruments					
Fair value hedge					
Derivatives - Interest rate swaps	(886)	(886)	Interest rate	411,125	Between 1 to 5 years
Derivatives - Interest rate swaps	27,007	27,655	Interest rate	2,015,024	More than 5 years
Hedged items relating to fair value hedges					
Assets					
Debt instruments at FVOCI	2,400,028	(26,121)			
Liabilities					
Subordinated bonds*	-	(648)			
2024					
Hedging instruments					
Fair value hedge					
Derivatives - Interest rate swaps	(648)	(376)	Interest rate	750,000	More than 5 years
Hedged items relating to fair value hedges					
Liabilities					
Subordinated bonds	749,352	376			

* The Bank has fully redeemed Bond 1 on 1 August 2025.

The ineffectiveness arising from hedge accounting was insignificant.

27. Fair Value of Assets and Liabilities

(a) Determination of fair value and fair value hierarchy

Where available, quoted and observable market prices are used as the measure of fair value. Where quoted and observable market prices are not available, fair value is estimated based on a range of methodologies and assumptions, the principal ones being as follows:

(i) Fair value of securities actively traded is determined by quoted bid prices. For non-actively traded securities, independent broker quotations are obtained. Fair value of unquoted equity securities is estimated using a number of methods, including net tangible assets, earnings ratios and discounted cash flow analysis. Where discounted cash flow technique is used, the estimated future cash flows are discounted using applicable prevailing market or indicative rates of similar instruments at the reporting date.

(ii) Fair value of precious metals is determined based on prevailing quoted market prices from the London Bullion Market Association.

(iii) For financial derivatives, where quoted and observable market prices are not available, fair value is arrived at using internal pricing models. As assumptions are made regarding risk characteristics of the various financial instruments, discount rates, future expected loss and other factors, changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

(iv) Fair value of land and buildings is determined by a registered valuer, using the comparison approach.

Level 1 - Unadjusted quoted prices in active market for identical financial instruments.

Level 2 - Inputs other than quoted prices that are observable either directly or indirectly.

Level 3 - Inputs that are not based on observable market data.

27. Fair Value of Assets and Liabilities (Continued)

(b) Financial instruments and non-financial assets carried at fair value

The following tables show the Group's and the Bank's financial instruments and non-financial assets which are measured at fair value at the reporting date analysed by the various levels within the fair value hierarchy.

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Assets				
Financial assets at FVTPL	723,069	6,500,673	-	7,223,742
Debt instruments at FVOCI	19,363,021	2,771,225	-	22,134,246
Equity instruments at FVOCI	-	-	159,824	159,824
Derivative financial assets	-	2,301,775	-	2,301,775
Precious metal accounts	1,014,030	-	-	1,014,030
Land and buildings	-	-	793,244	793,244
Total	21,100,120	11,573,673	953,068	33,626,861
Liabilities				
Structured deposits	-	959,273	-	959,273
Customer gold accounts	1,060,299	-	-	1,060,299
Derivative financial liabilities	-	2,576,589	-	2,576,589
Total	1,060,299	3,535,862	-	4,596,161
2024				
Assets				
Financial assets at FVTPL	869,287	5,436,959	-	6,306,246
Debt instruments at FVOCI	14,455,985	1,951,327	-	16,407,312
Equity instruments at FVOCI	947	-	173,214	174,161
Derivative financial assets	-	1,305,213	-	1,305,213
Precious metal accounts	502,201	-	-	502,201
Land and buildings	-	-	734,775	734,775
Total	15,828,420	8,693,499	907,989	25,429,908
Liabilities				
Structured deposits	-	1,918,526	-	1,918,526
Customer gold accounts	514,586	-	-	514,586
Derivative financial liabilities	-	1,360,345	-	1,360,345
Total	514,586	3,278,871	-	3,793,457

27. Fair Value of Assets and Liabilities (Continued)

(b) Financial instruments and non-financial assets carried at fair value (Continued)

Bank	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Assets				
Financial assets at FVTPL	723,069	6,500,673	-	7,223,742
Debt instruments at FVOCI	19,363,021	2,771,225	-	22,134,246
Equity instruments at FVOCI	-	-	159,824	159,824
Derivative financial assets	-	2,301,775	-	2,301,775
Precious metal accounts	1,014,030	-	-	1,014,030
Total	21,100,120	11,573,673	159,824	32,833,617
Liabilities				
Structured deposits	-	959,273	-	959,273
Customer gold accounts	1,060,299	-	-	1,060,299
Derivative financial liabilities	-	2,576,589	-	2,576,589
Total	1,060,299	3,535,862	-	4,596,161
2024				
Assets				
Financial assets at FVTPL	869,287	5,436,959	-	6,306,246
Debt instruments at FVOCI	14,455,985	1,951,327	-	16,407,312
Equity instruments at FVOCI	947	-	173,214	174,161
Derivative financial assets	-	1,305,213	-	1,305,213
Precious metal accounts	502,201	-	-	502,201
Total	15,828,420	8,693,499	173,214	24,695,133
Liabilities				
Structured deposits	-	1,918,526	-	1,918,526
Customer gold accounts	514,586	-	-	514,586
Derivative financial liabilities	-	1,360,345	-	1,360,345
Total	514,586	3,278,871	-	3,793,457

27. Fair Value of Assets and Liabilities (Continued)

(c) Fair value of financial instruments not carried at fair value

The fair value of fixed rate loans, advances and financing is estimated based on discounted cash flows using prevailing market rates of loans, advances and financing of similar credit risks and maturity. For fair value of variable rate loans, advances and financing, the fair value is estimated to approximate their carrying amounts.

The fair value of the subordinated bonds/sukuk is estimated based on prevailing market rates of the subordinated bonds/sukuk of similar credit risks and maturity. The fair value of the bonds is estimated based on independent brokers' quotations.

The fair value of the debt instruments at amortised cost is estimated based on independent broker quotations.

Set out below is the comparison of the carrying amounts and fair value of the financial instruments of the Group and the Bank which are not carried at fair value in the financial statements.

	2025		2024	
Group	**Carrying amount RM'000**	**Fair value RM'000**	**Carrying amount RM'000**	**Fair value RM'000**
Assets				
Gross loans, advances and financing	112,557,929	108,288,380	109,528,054	105,995,281
Gross debt instruments at amortised cost	9,927,172	10,230,067	9,975,806	10,158,819
	122,485,101	118,518,447	119,503,860	116,154,100
Liabilities				
Subordinated bonds/sukuk	2,250,000	2,275,833	2,249,352	2,266,195
Bank				
Assets				
Gross loans, advances and financing	112,951,164	108,681,615	109,830,340	106,297,567
Gross debt instruments at amortised cost	9,927,172	10,230,067	9,975,806	10,158,819
	122,878,336	118,911,682	119,806,146	116,456,386
Liabilities				
Subordinated bonds/sukuk	2,250,000	2,275,833	2,249,352	2,266,195

27. Fair Value of Assets and Liabilities (Continued)

(c) Fair value of financial instruments not carried at fair value (Continued)

The following tables show the fair value of the Group's and the Bank's financial instruments which are not carried at fair value at the reporting date, analysed by various levels within the fair value hierarchy.

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Assets				
Gross loans, advances and financing	-	108,288,380	-	108,288,380
Gross debt instruments at amortised cost	-	10,230,067	-	10,230,067
	-	118,518,447	-	118,518,447
Liabilities				
Subordinated bonds/sukuk	-	2,275,833	-	2,275,833
2024				
Assets				
Gross loans, advances and financing	-	105,995,281	-	105,995,281
Gross debt instruments at amortised cost	-	10,158,819	-	10,158,819
	-	116,154,100	-	116,154,100
Liabilities				
Subordinated bonds/sukuk	-	2,266,195	-	2,266,195
Bank				
2025				
Assets				
Gross loans, advances and financing	-	108,681,615	-	108,681,615
Gross debt instruments at amortised cost	-	10,230,067	-	10,230,067
	-	118,911,682	-	118,911,682
Liabilities				
Subordinated bonds/sukuk	-	2,275,833	-	2,275,833
2024				
Assets				
Gross loans, advances and financing	-	106,297,567	-	106,297,567
Gross debt instruments at amortised cost	-	10,158,819	-	10,158,819
	-	116,456,386	-	116,456,386
Liabilities				
Subordinated bonds/sukuk	-	2,266,195	-	2,266,195

27. Fair Value of Assets and Liabilities (Continued)

(d) Fair value of financial instruments carried at cost or amortised cost

For cash and short-term funds, securities purchased under resale agreements, obligations on securities sold under repurchase agreements, deposits and placements with/of banks and other financial institutions, deposits from customers with short-term or no stated maturity, as well as interest and other short-term receivables and payables, fair value is expected to approximate the carrying amounts in the statements of financial position due to their short-term maturity.

(e) Movements and assumptions used in Level 3 fair value

The following tables present the changes in Level 3 financial assets and non-financial assets for the financial year ended:

Reconciliation of fair value/revalued amount:

	Group and Bank	Group
	Equity instruments at FVOCI: unquoted securities	Land and buildings
2025	**RM'000**	**RM'000**
At 1 January	173,214	734,775
Recognised in profit or loss:		
- Depreciation	-	(17,547)
- Write-back of impairment loss	-	20,454
Recognised in OCI	(13,390)	60,205
Addition of buildings	-	6,366
Disposal of buildings	-	(11,009)
At 31 December	159,824	793,244
2024		
At 1 January	217,253	739,902
Recognised in profit or loss:		
- Depreciation	-	(16,016)
- Write-back of impairment loss	-	10,889
Recognised in OCI	(44,039)	-
At 31 December	173,214	734,775

Equity instruments at FVOCI: unquoted securities

Unquoted securities were revalued using the Cost/Asset-Based Approach, specifically the Adjusted Net Assets Method. The assets and liabilities presented in the investee companies' latest available audited statements of financial position were used as the basis for determining fair value by adopting the fair value of each relevant item as disclosed in the notes to the accounts, where applicable. For the financial year ended 31 December 2025 and 31 December 2024, the valuations were based on the audited financial statements as at 31 December 2024 and 31 December 2023, respectively.

Changing one or more of the inputs to reasonable alternative assumptions would not change the value significantly for the financial assets in Level 3 of the fair value hierarchy.

27. Fair Value of Assets and Liabilities (Continued)

(e) Movements and assumptions used in Level 3 fair value (Continued)

Land and buildings

Land and buildings were revalued on 31 December 2025 by Knight Frank Malaysia Sdn Bhd, Khong and Jaafar Sdn Bhd, CBRE WTW Valuation & Advisory Sdn Bhd and Savills Malaysia Sdn Bhd, registered valuers, by using a market comparison approach or using a combination of comparable sales and investment approaches. The previous valuation was performed on 26 December 2024.

The comparison approach generally compares and analyses recent recorded transactions of similar type of properties in the locality or similar locations and making the relevant adjustments for differences in factors that affect value. Listings and offers may also be considered. The investment method considers income and expense data relating to the properties being valued and estimates value through a capitalisation process by converting an income amount into a value estimate. This process may consider direct relationships including yield or discount rates (reflecting measures of return on investment).

Area	Significant unobservable valuation input	Range
Central	Price per square metre	RM2,989 - RM13,151
North	Price per square metre	RM2,785 - RM6,497
South	Price per square metre	RM1,560 - RM11,561
East Coast	Price per square metre	RM2,622 - RM4,818
East Malaysia	Price per square metre	RM3,865 - RM6,655

Significant increases/(decreases) in estimated price per square metre in isolation would result in a significantly higher/(lower) fair value.

(f) Fair value of financial instruments that is carried at cost and which the fair value cannot be reliably measured

The fair value of contingent liabilities and undrawn credit facilities is not readily ascertainable. These financial instruments are presently not sold or traded. The estimated fair value may be represented by the present value of the fees expected to be received, less associated costs. The Group and the Bank assess that their respective fair value is unlikely to be significant given that the overall level of fees involved is not significant.

28 Operating Revenue

Operating revenue of the Group and the Bank comprises interest/financing income, fee income, commission income, trading and investment income and other income derived from banking operations.

29. Interest Income

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loans, advances and financing	4,944,787	5,064,271	4,961,706	5,079,349
Credit-impaired loans, advances and financing	109,839	70,024	109,839	70,024
Money at call and deposit placements with financial institutions	377,890	373,644	377,890	373,646
Financial assets at FVTPL	254,948	266,477	254,948	266,477
Debt instruments at FVOCI	565,054	656,785	565,054	656,785
Debt instruments at amortised cost	408,519	381,493	408,519	381,493
	6,661,037	6,812,694	6,677,956	6,827,774
Amortisation of premium less accretion of discount on:				
- Financial assets at FVTPL	25,885	(104)	25,885	(104)
- Debt instruments at FVOCI	(38,752)	(68,128)	(38,752)	(68,128)
- Debt instruments at amortised cost	6,294	5,973	6,294	5,973
	6,654,464	6,750,435	6,671,383	6,765,515

30. Interest Expense

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits from customers	2,798,638	2,989,366	2,798,990	2,989,980
Deposits and placements of banks and other financial institutions	631,403	722,633	631,403	722,633
Subordinated bonds	62,706	72,217	62,706	72,217
Lease liabilities (Note 16)	2,797	2,902	24,126	19,792
Others	71,547	58,900	71,370	58,980
	3,567,091	3,846,018	3,588,595	3,863,602

31. Other Operating Income

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fee income:				
- Commission	278,143	273,204	278,143	273,204
- Guarantee fees	105,766	98,289	105,772	98,298
- Service charges and fees	317,711	337,120	317,473	332,718
- Commitment fees	27,889	28,113	28,200	28,617
- Arrangement and participation fees	33,508	32,054	33,508	32,054
	763,017	768,780	763,096	764,891
Trading and investment income:				
- Gain from sale of financial assets at FVTPL	35,302	19,995	35,302	19,995
- Unrealised gain/(loss) on financial assets at FVTPL	2,400	(19,321)	2,400	(19,321)
- Gain/(loss) from trading derivatives	11,247	(86,371)	11,247	(86,371)
- Unrealised (loss)/gain from trading derivatives	(65,216)	49,284	(65,216)	49,284
- Unrealised (loss)/gain on fair value adjustment for subordinated bonds (Note 22(a)(v))	(648)	376	(648)	376
- Gain from sale of precious metals	5,776	2,958	5,776	2,958
- Unrealised loss from revaluation of precious metals	(1,517)	(8)	(1,517)	(8)
- Gain from sale of debt instruments at FVOCI	89,499	69,869	89,499	69,869
- Gross dividends from equity instruments at FVOCI	3,421	981	3,421	981
	80,264	37,763	80,264	37,763
Other income:				
- Foreign exchange gain, net	756,801	783,136	756,801	783,131
- Rental income from operating leases	1,669	1,741	-	-
- Gain on disposal of property, plant and equipment	2,174	60	884	60
- Others	18,120	17,899	18,172	17,972
	778,764	802,836	775,857	801,163
	1,622,045	1,609,379	1,619,217	1,603,817

32. Other Operating Expenses

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Personnel expenses	1,238,027	1,319,701	1,232,286	1,313,819
Establishment expenses	801,764	749,457	811,165	750,253
Marketing expenses	99,988	97,216	99,903	97,087
General administrative expenses	207,624	190,078	203,358	187,850
	2,347,403	2,356,452	2,346,712	2,349,009
Personnel expenses:				
- Wages, salaries and bonus	942,568	1,011,313	937,835	1,006,517
- Defined contribution plan	150,180	152,754	149,424	151,955
- Other employee benefits	145,279	155,634	145,027	155,347
	1,238,027	1,319,701	1,232,286	1,313,819
Establishment expenses:				
- Depreciation of property, plant and equipment (Note 15)	160,341	146,383	140,614	128,300
- Depreciation of right-of-use assets (Note 16)	22,323	21,714	62,627	49,435
- Amortisation of intangible assets (Note 17)	13,100	13,100	13,100	13,100
- Information technology costs	417,334	405,430	417,334	405,430
- Repair and maintenance	101,531	83,292	97,623	81,256
- Short-term lease expenses	574	1,006	1,017	1,602
- Others	86,561	78,532	78,850	71,130
	801,764	749,457	811,165	750,253
Marketing expenses:				
- Advertising and publicity	99,988	97,216	99,903	97,087
General administrative expenses:				
- Fees and commissions paid	59,769	75,800	59,042	75,232
- Auditors' remuneration:				
- Statutory audit	1,525	1,482	1,480	1,438
- Assurance related services	28	27	28	27
	1,553	1,509	1,508	1,465
Others	146,302	112,769	142,808	111,153
	207,624	190,078	203,358	187,850

33. Chief Executive Officer, Non-Executive Directors and Shariah Committee Members' Remuneration

Remuneration in aggregate paid for the financial year is as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Chief Executive Officer		
- Salary and other remuneration	2,264	2,169
- Bonus	2,100	1,800
- Benefits-in-kind	1,450	1,243
Non-executive directors		
- Fees	736	833
Shariah Committee members (Note 47(s))	247	377
	6,797	6,422

The number of directors of the Group and the Bank whose total remuneration paid during the financial year fell within the following bands is analysed below:

	Number of directors	
	2025	2024
Chief Executive Officer		
RM1 to RM6,000,000	1	1
Non-executive directors		
RM1 to RM100,000	-	2
RM100,001 to RM300,000	2	4
RM300,001 to RM500,000	1	-

33. Chief Executive Officer, Non-Executive Directors and Shariah Committee Members' Remuneration (Continued)

The total remuneration (including benefits-in-kind) of the directors of the Bank is as follows:

	Remuneration received from the Bank				
	Salary and other remuneration RM'000	Fees RM'000	Bonus RM'000	Benefits-in-kind RM'000	Total RM'000
2025					
Chief Executive Officer					
Ng Wei Wei	2,264	-	2,100	1,450	5,814
Non-executive directors					
Ching Yew Chye	-	330	-	-	330
Chin Shoon Chong, Arthur	-	210	-	-	210
Datin Paduka Serena Cheah Yean Tih (appointed on 1 January 2025)	-	-	-	-	-
Tunku Alina Binti Raja Muhd Alias	-	196	-	-	196
	2,264	736	2,100	1,450	6,550
2024					
Chief Executive Officer					
Ng Wei Wei	2,169	-	1,800	1,243	5,212
Non-executive directors					
Ching Yew Chye	-	275	-	-	275
Fatimah Binti Merican (retired on 2 Nov 2023)	-	183	-	-	183
Dato' Jeffrey Ng Tiong Lip (retired on 15 Jun 2023)	-	154	-	-	154
Chin Shoon Chong, Arthur	-	139	-	-	139
Tunku Alina Binti Raja Muhd Alias	-	49	-	-	49
Datuk Phang Ah Tong (resigned on 15 Feb 2023)	-	33	-	-	33
	2,169	833	1,800	1,243	6,045

34. Allowance for/(Write-Back of) Expected Credit Losses (ECL)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loans, advances and financing (Note 11(vii)):				
- Stage 1 - 12-month ECL	(123,717)	477,243	(123,774)	477,798
- Stage 2 - Lifetime ECL non credit-impaired	(44,963)	(463,689)	(44,963)	(463,689)
- Stage 3 - Lifetime ECL credit-impaired	360,320	256,635	360,320	256,635
	191,640	270,189	191,583	270,744
Credit-impaired loans, advances and financing:				
- Written-off	113,544	120,172	113,544	120,172
- Recovered	(236,789)	(231,008)	(236,788)	(231,008)
	68,395	159,353	68,339	159,908
Other financial assets:				
- Stage 1 - 12-month ECL	(3,705)	(9,127)	(3,715)	(9,113)
- Stage 2 - Lifetime ECL non credit-impaired	(2,689)	8,315	(2,699)	8,327
- Stage 3 - Lifetime ECL credit-impaired	-	(16,888)	-	(16,888)
	(6,394)	(17,700)	(6,414)	(17,674)
Commitments and contingencies (Note 21(a)):				
- Stage 1 - 12-month ECL	(20,789)	46,681	(20,789)	46,681
- Stage 2 - Lifetime ECL non credit-impaired	(20,479)	(25,250)	(20,479)	(25,250)
- Stage 3 - Lifetime ECL credit-impaired	27,955	(4,386)	27,955	(4,386)
	(13,313)	17,045	(13,313)	17,045
Total	48,688	158,698	48,612	159,279

35. Income Tax Expense

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax:				
- Malaysian income tax in respect of current financial year	556,694	541,128	556,267	540,059
- Under provision in prior financial years	57,388	2,694	57,484	2,382
	614,082	543,822	613,751	542,441
Deferred tax (Note 18):				
- Relating to origination and reversal of temporary differences	55,078	2,892	57,700	1,588
- Over provision in prior financial years	(63,077)	(19,370)	(63,109)	(19,035)
	(7,999)	(16,478)	(5,409)	(17,447)
Total income tax expense	606,083	527,344	608,342	524,994

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Bank is as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before taxation	2,547,835	2,204,494	2,520,735	2,192,401
Taxation at Malaysian statutory tax rate of 24%	611,480	529,079	604,976	526,176
Effects of income not subject to tax	(1,201)	(253)	(1,033)	(250)
Effects of expenses not deductible for tax purposes	1,493	15,194	10,024	15,721
Under provision of current tax expense in prior financial years	57,388	2,694	57,484	2,382
Over provision of deferred tax assets in prior financial years	(63,077)	(19,370)	(63,109)	(19,035)
Income tax expense for the financial year	606,083	527,344	608,342	524,994

36. Earnings Per Share

The basic/diluted earnings per ordinary share of the Group has been calculated based on the profit for the year attributable to ordinary shareholders of the Group of RM1,941,752,000 (2024: RM1,677,150,000) and on the number of issued and fully paid ordinary shares during the year of 470,000,000 (2024: 470,000,000).

37. Dividends

	Group and Bank 2025		Group and Bank 2024	
	Net dividend per share sen	Amount of dividend, net of tax RM'000	Net dividend per share sen	Amount of dividend, net of tax RM'000
Final dividend recognised during the year in respect of the previous financial year (Note (a))	195.1	916,970	164.1	771,270
First interim dividend recognised during the year (Note (b))	112.3	527,810	-	-
Proposed final dividend for the financial year	152.2	715,340	195.1	916,970

At the forthcoming Annual General Meeting, a final single-tier dividend of 152.2 sen per share in respect of the financial year ended 31 December 2025 on 470,000,000 issued and fully paid ordinary shares, amounting to dividend payable of RM715,340,000, will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders and Bank Negara Malaysia, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

Dividend paid during the financial year:

(a) A final single-tier dividend of 195.1 sen per share amounting to RM916,970,000 in respect of the financial year ended 31 December 2024.

(b) A single-tier first interim dividend of 112.3 sen per share amounting to RM527,810,000 in respect of the financial year ended 31 December 2025.

38. Significant Related Party Transactions and Balances

(a) Related parties and relationships

The related parties of and their relationship with the Bank (other than those disclosed in Notes 13 and 14) are as follows:

Related parties	Relationship
United Overseas Bank Limited	Ultimate holding company
Chung Khiaw (Malaysia) Berhad	Holding company
Chung Khiaw Realty Limited	Fellow subsidiary
PT Bank UOB Indonesia	Fellow subsidiary
UOB Centre of Excellence (M) Sdn Bhd	Fellow subsidiary
UOB Asset Management (Malaysia) Berhad	Fellow subsidiary
UOB Islamic Asset Management (Malaysia) Sdn Bhd	Fellow subsidiary
UOB Innovation Hub 2 Sdn Bhd	Fellow subsidiary
United Overseas Bank (China) Limited	Fellow subsidiary
United Overseas Bank (Thai) Public Company Limited	Fellow subsidiary

Key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Bank either directly or indirectly. The key management personnel of the Group and the Bank include non-executive directors of the Bank and certain members of senior management of the Bank.

38. Significant Related Party Transactions and Balances (Continued)

(b) Related parties transactions

A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits and foreign currency transactions. These significant related party transactions were carried out on commercial terms and at market rates. In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

2025	Ultimate holding company RM'000	Holding company RM'000	Subsidiaries RM'000	An associate RM'000	Key management personnel RM'000	Fellow subsidiaries RM'000
Income:						
- Interest on placements, loans and advances	2,447	-	16,919	-	126	411
- Commission income	-	-	6	-	-	16,739
- Service charge income	5,057	38	661	-	-	642
- Other income	2,755	-	365	-	-	550
	10,259	38	17,951	-	126	18,342
Expenditure:						
- Interest on deposits	548,521	-	352	-	1,035	7
- Interest expense from lease liabilities	-	-	21,329	-	-	-
- Other expenses	417,553	-	47,153	-	-	-
	966,074	-	68,834	-	1,035	7
Assets:						
- Cash and short-term funds	106,681	-	-	-	-	17,574
- Loans, advances and financing	-	-	393,235	-	4,271	9,026
- Other assets	867	-	12,389	24,513	-	149
- Derivative financial assets	338,302	-	-	-	-	3,416
- Right-of-use assets	-	-	507,318	-	-	-
	445,850	-	912,942	24,513	4,271	30,165
Liabilities:						
- Deposits from customers	-	-	17,185	1,004	46,010	1,039
- Deposits and placements of banks and other financial institutions	13,731,612	-	20	-	-	838
- Other liabilities	282,441	-	121	-	-	-
- Derivative financial liabilities	171,085	-	-	-	-	2,523
- Lease liabilities	-	-	561,204	-	-	-
	14,185,138	-	578,530	1,004	46,010	4,400
Off-balance sheet liabilities						
- Commitments and contingencies	76,014,298	-	86,100	-	-	14,836

38. Significant Related Party Transactions and Balances (Continued)

(b) Related parties transactions (Continued)

2024	Ultimate holding company RM'000	Holding company RM'000	Subsidiaries RM'000	An associate RM'000	Key management personnel RM'000	Fellow subsidiaries RM'000
Income:						
- Interest on placements, loans and advances	2,912	-	15,080	-	137	372
- Commission income	-	-	9	-	-	21,441
- Service charge income	3,903	38	661	-	-	27
- Other income	3,358	-	578	-	-	611
	10,173	38	16,328	-	137	22,451
Expenditure:						
- Interest on deposits	609,640	-	614	-	1,132	-
- Interest expense from lease liabilities	-	-	16,890	-	-	-
- Other expenses	401,635	-	33,458	-	-	-
	1,011,275	-	50,962	-	1,132	-
Assets:						
- Cash and short-term funds	223,912	-	-	-	-	37,678
- Loans, advances and financing	-	-	302,286	-	5,126	10,018
- Other assets	74,725	62	14,334	24,513	-	-
- Derivative financial assets	178,301	-	-	-	-	2,357
- Right-of-use assets	-	-	401,764	-	-	-
	476,938	62	718,384	24,513	5,126	50,053
Liabilities:						
- Deposits from customers	-	-	18,722	1,004	56,184	1,039
- Deposits and placements of banks and other financial institutions	12,889,015	-	20	-	-	439
- Other liabilities	142,834	-	130	-	-	-
- Derivative financial liabilities	249,904	-	-	-	-	5,186
- Lease liabilities	-	-	430,889	-	-	-
	13,281,753	-	449,761	1,004	56,184	6,664
Off-balance sheet liabilities						
- Commitments and contingencies	53,343,758	-	177,100	-	-	113,669

38. Significant Related Party Transactions and Balances (Continued)

(b) Related parties transactions (Continued)

The remuneration of key management personnel included in the profit or loss is as follows:

	Group and Bank	
	2025 RM'000	2024 RM'000
Short-term employee benefits	31,652	40,394
Post employment benefits: defined contribution plan	3,761	4,647
Share-based payment*	8,692	9,697
	44,105	54,738

* In prior financial years, key management personnel of the Bank were granted options to subscribe in shares of the ultimate holding company under the UOB Share Plan. As at 31 December 2025, the number of options held by key management personnel were 229,759 (2024: 258,501).

39. Commitments and Contingencies

Group	Principal amount RM'000	Credit equivalent amount RM'000	Risk-weighted amount RM'000
2025			
Direct credit substitutes	5,174,709	4,895,375	3,263,251
Transaction-related contingent items	7,718,396	3,750,641	2,119,712
Short-term self-liquidating trade-related contingencies	787,665	163,033	136,607
Lending of banks' securities or the posting of securities as collateral by banks	1,686,313	53,760	812
Foreign exchange related contracts:			
- Not more than one year	102,273,937	2,685,273	356,569
- More than one year to less than five years	1,376,676	98,799	61,462
Interest/profit rate related contracts:			
- Not more than one year	71,019,685	691,485	76,495
- More than one year to less than five years	112,740,991	3,630,149	870,202
- Five years and above	4,636,695	428,819	145,802
Equity related contracts:			
- Not more than one year	377,248	-	-
- More than one year to less than five years	28,963	-	-
Precious metals related contracts:			
- Less than one year	59,639	650	75
Commodity related contracts:			
- Not more than one year	325,805	47,406	14,232
- More than one year to less than five years	307	37	15
Credit derivative contracts:			
- Not more than one year	5,315	886	67
Undrawn credit facilities:			
- Not more than one year	32,206,415	1,434,315	307,677
- More than one year	10,440,563	7,226,921	4,693,859
- Unconditionally cancellable	41,030,080	10,401,752	3,480,658
Other commitments	207,625	-	-
Total	392,097,027	35,509,301	15,527,495

39. Commitments and Contingencies (Continued)

Group	Principal amount RM'000	Credit equivalent amount RM'000	Risk-weighted amount RM'000
2024			
Direct credit substitutes	5,031,976	4,891,797	3,578,305
Transaction-related contingent items	7,551,468	3,728,404	2,302,234
Short-term self-liquidating trade-related contingencies	653,296	136,913	97,968
Lending of banks' securities or the posting of securities as collateral by banks	2,038,447	65,166	2,525
Foreign exchange related contracts:			
- Not more than one year	91,581,348	2,012,786	350,479
- More than one year to less than five years	1,401,062	108,806	62,116
- Five years and above	116,313	11,631	11,648
Interest/profit rate related contracts:			
- Not more than one year	47,837,909	284,156	35,518
- More than one year to less than five years	68,596,860	2,364,585	625,002
- Five years and above	1,837,353	172,150	76,724
Equity related contracts:			
- Not more than one year	140,708	2,862	157
- More than one year to less than five years	500	-	-
Precious metals related contracts:			
- Less than one year	788,695	11,086	611
Commodity related contracts:			
- Not more than one year	597,906	49,242	16,710
- More than one year to less than five years	9,341	-	-
Credit derivative contracts:			
- Not more than one year	5,857	819	74
Undrawn credit facilities:			
- Not more than one year	26,565,986	1,621,999	724,238
- More than one year	8,146,986	5,578,999	3,510,972
- Unconditionally cancellable	38,386,809	9,427,523	3,552,711
Other commitments	218,409	-	-
Total	301,507,229	30,468,924	14,947,992

39. Commitments and Contingencies (Continued)

Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk-weighted amount RM'000
2025			
Direct credit substitutes	5,174,709	4,895,375	3,263,251
Transaction-related contingent items	7,718,396	3,750,641	2,119,712
Short-term self-liquidating trade-related contingencies	787,665	163,033	136,607
Lending of banks' securities or the posting of securities as collateral by banks	1,686,313	53,760	812
Foreign exchange related contracts:			
- Not more than one year	102,273,937	2,685,273	356,569
- More than one year to less than five years	1,376,676	98,799	61,462
Interest/profit rate related contracts:			
- Not more than one year	71,019,685	691,485	76,495
- More than one year to less than five years	112,740,991	3,630,149	870,202
- Five years and above	4,636,695	428,819	145,802
Equity related contracts:			
- Not more than one year	377,248	-	-
- More than one year to less than five years	28,963	-	-
Precious metals related contracts:			
- Less than one year	59,639	650	75
Commodity related contracts:			
- Not more than one year	325,805	47,406	14,232
- More than one year to less than five years	307	37	15
Credit derivative contracts:			
- Not more than one year	5,315	886	67
Undrawn credit facilities:			
- Not more than one year	32,206,415	1,434,315	307,677
- More than one year	10,440,563	7,226,921	4,693,859
- Unconditionally cancellable	41,116,180	10,401,752	3,480,658
Other commitments	207,625	-	-
Total	392,183,127	35,509,301	15,527,495

39. Commitments and Contingencies (Continued)

Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk-weighted amount RM'000
2024			
Direct credit substitutes	5,031,976	4,891,797	3,578,305
Transaction-related contingent items	7,551,468	3,728,404	2,302,234
Short-term self-liquidating trade-related contingencies	653,296	136,913	97,968
Lending of banks' securities or the posting of securities as collateral by banks	2,038,447	65,166	2,525
Foreign exchange related contracts:			
- Not more than one year	91,581,348	2,012,786	350,479
- More than one year to less than five years	1,401,062	108,806	62,116
- Five years and above	116,313	11,631	11,648
Interest/profit rate related contracts:			
- Not more than one year	47,837,909	284,156	35,518
- More than one year to less than five years	68,596,860	2,364,585	625,002
- Five years and above	1,837,353	172,150	76,724
Equity related contracts:			
- Not more than one year	140,708	2,862	157
- More than one year to less than five years	500	-	-
Precious metals related contracts:			
- Less than one year	788,695	11,086	611
Commodity related contracts:			
- Not more than one year	597,906	49,242	16,710
- More than one year to less than five years	9,341	-	-
Credit derivative contracts:			
- Not more than one year	5,857	819	74
Undrawn credit facilities:			
- Not more than one year	26,565,986	1,621,999	724,238
- More than one year	8,146,986	5,578,999	3,510,972
- Unconditionally cancellable	38,563,909	9,427,523	3,552,711
Other commitments	218,409	-	-
Total	301,684,329	30,468,924	14,947,992

40. Capital Commitments

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Capital expenditure for property, plant and equipment:				
- Authorised and contracted for	55,702	62,724	46,462	50,224

41. Financial Risk Management

The Group's and the Bank's business activities involve the use of financial instruments, including derivatives. These activities expose the Group and the Bank to a variety of financial risks, mainly credit risk, foreign exchange risk, interest rate risk and liquidity risk.

The Group's and the Bank's financial risks are centrally managed by the various specialist committees within the delegated authority by the Board of Directors. These various specialist committees formulate and review policies and limits to monitor and manage risk exposures under their respective supervision. The major policy decisions and proposals endorsed by these committees are subject to approval by the Executive Committee (EXCO) and/or Board of Directors. The Risk Management Division assumes the independent oversight of risks undertaken by the Group and the Bank, and takes the lead in the formulation and approval of risk policies, controls and processes. The Market Risk and Product Control within Risk Management monitor Global Market's compliance with trading policies and limits. This is further enhanced by the periodic risk assessment audit carried out by the Group's and the Bank's Internal Audit Division.

The main financial risks that the Group and the Bank are exposed to and how they are being managed are set out below:

41.1 Credit Risk

Credit risk is the risk of loss arising from any failure by a customer or counterparty to meet its financial obligations when such obligations fall due.

(a) Credit risk management

The Credit Management Committee supports the CEO and Board of Directors in managing the credit risk exposures of the Group and the Bank. It serves as an executive forum for discussions on all credit-related matters. The Credit Management Committee also reviews and assesses the Bank's credit portfolios and credit risk profiles.

Credit risk exposures are managed through a robust credit underwriting, structuring and monitoring process. The process includes monthly review of all impaired and special mention loans/financing, ensuring credit quality and the timely recognition of asset impairment. In addition, credit review and audit are performed regularly to proactively manage any delinquency, minimise undesirable concentrations, maximise recoveries, and ensure that credit policies and procedures are complied with. Past dues and credit limit excesses are tracked and analysed by business and product lines.

Climate risks are complex and transverse in nature and may potentially translate into known financial risk types for banks including credit risk, market risk, liquidity risk and operational risk. Climate risk is identified, assessed, managed and monitored through our Environmental Risk Management (ENRM) Framework, which is approved by the Board.

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(a) Credit risk management (Continued)

Maximum exposure to credit risk

Group	2025 RM'000	2024 RM'000
Cash and short-term funds	4,832,375	6,489,396
Deposits and placements with financial institutions	349,939	99,943
Securities purchased under resale agreements	1,167,747	974,044
Financial assets at FVTPL	7,223,742	6,306,246
Debt instruments at FVOCI	22,134,246	16,407,312
Debt instruments at amortised cost	9,902,398	9,958,972
Other assets	751,128	706,343
Derivative financial assets	2,301,775	1,305,213
Loans, advances and financing	110,204,144	107,097,437
Statutory deposits with BNM	828,000	1,610,000
Total gross financial assets	159,695,494	150,954,906
Financial assets not subject to credit risk	3,804,389	3,788,845
	163,499,883	154,743,751
Commitments and contingencies	392,097,027	301,507,229

Bank

Cash and short-term funds	4,832,375	6,489,396
Deposits and placements with financial institutions	349,939	99,943
Securities purchased under resale agreements	1,167,747	974,044
Financial assets at FVTPL	7,223,742	6,306,246
Debt instruments at FVOCI	22,134,246	16,407,312
Debt instruments at amortised cost	9,902,398	9,958,972
Other assets	751,128	706,343
Derivative financial assets	2,301,775	1,305,213
Loans, advances and financing	110,594,779	107,397,066
Statutory deposits with BNM	828,000	1,610,000
Total gross financial assets	160,086,129	151,254,535
Financial assets not subject to credit risk	3,782,394	3,803,609
	163,868,523	155,058,144
Commitments and contingencies	392,183,127	301,684,329

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(a) Credit risk management (Continued)

Maximum exposure to credit risk (Continued)

As a fundamental credit principle, the Group and the Bank generally do not grant credit facilities solely on the basis of the collateral provided. All credit facilities are granted based on the credit standing of the borrower, source of repayment and debt servicing ability.

Collateral is taken whenever possible to mitigate the credit risk assumed. The value of the collateral is monitored periodically. The frequency of valuation depends on the type, liquidity and volatility of the collateral value. The collaterals accepted are mainly cash, marketable securities, real estate, equipment, inventory and receivables. Policies and processes are in place to monitor collateral concentration.

In extending credit facilities to small and medium enterprises, personal guarantees are often taken as a form of moral support to ensure moral commitment from the principal shareholders and directors.

Corporate guarantees are often obtained when the customer's credit worthiness is not sufficient to justify an extension of credit.

Exposures arising from foreign exchange, derivatives and securities financing transactions are mitigated through agreements such as the International Swaps and Derivatives Association Master Agreements, the Credit Support Annex and the Global Master Repurchase Agreements. Such agreements help to minimise credit exposure by allowing the Bank to offset what is owed to a counterparty against what is due from that counterparty in the event of a default.

(b) Expected credit loss measurement

(i) Definition of default and cure

The Group and the Bank classify a loan or advance or financing as credit-impaired when there is objective evidence that the loan or advance or financing is credit-impaired.

The details of the default definition is as disclosed in Note 2.4(d)(i).

(ii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or lifetime basis depending on whether a SICR has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the discounted product of the PD, EAD and LGD, defined as follows:

- The PD represents the likelihood of a borrower or obligor defaulting on its financial obligation (as per definition of default above), either over the next 12 months, or over the remaining lifetime of the obligation;

- EAD is based on the amounts the Group and the Bank expect to be owed at the time of default, over the next 12 months or over the remaining lifetime of the obligation; and

- LGD represents the Group's and the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is calculated on a 12-month or lifetime basis.

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(b) Expected credit loss measurement (Continued)

(ii) Measuring ECL – Explanation of inputs, assumptions and estimation techniques (Continued)

The ECL is determined by projecting the PD, EAD and LGD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival. The discount rate used in the ECL calculation is the original effective interest rate or effective profit rate or an approximation thereof.

Information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group and the Bank use external and internal information to generate a "base case", "downturn" and "severe downturn" scenario which considers forecast economic variables, based on assigned probability weights determined by the Group and the Bank. The Group and the Bank have performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The macroeconomic variables (MEV) considered include gross domestic product (GDP), house price index (HPI), Kuala Lumpur Composite Index (KLCI), consumer price index (CPI), base lending rates (BLR), property price index (PPI), and unemployment rates.

The MEV data obtained from Bank Negara Malaysia and in-house economist are shown below:

Macroeconomic variables	2025 Forecast Range	2024 Forecast Range
GDP	-1.4% to 5.1%	-2.2% to 4.8%
CPI	0.5% to 2.8%	2.5% to 4.0%
BLR	5.8% to 6.8%	6.1% to 6.8%
HPI	-17.5% to 4.4%	-5.0% to 3.5%
PPI	-17.5% to 3.2%	-5.0% to 4.1%
KLCI	-40.0% to 12.9%	-40.0% to 8.0%
Unemployment rate	3.2% to 4.3%	3.3% to 5.0%

These economic variables and their associated impact on the PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process.

(iii) Significant increase in credit risk (SICR)

The Group and the Bank continuously monitor all assets subject to ECL. In order to determine whether an instrument or a portfolio of instruments is subject to 12-month ECL or lifetime ECL, the Group and the Bank assess whether there has been a SICR since initial recognition. The Group and the Bank consider an exposure to have significantly increased in credit risk when an instrument triggered the quantitative, qualitative or backstop criteria.

(iv) Grouping of financial assets measured on a collective basis

When estimating ECL on a collective basis for a group of similar assets, the Group and the Bank apply the same principles for assessing whether there has been a SICR since initial recognition.

Asset classes where the Group and the Bank calculate ECL on an individual basis includes all Stage 3 financial assets.

Asset classes where the Group and the Bank calculate ECL on a collective basis includes all Stage 1 and Stage 2 financial assets. Subsequently, Stage 1 and Stage 2 financial assets are further disaggregated based on wholesale banking, business banking and personal financial services portfolios.

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(c) Credit risk concentration by economic sector of the Group and the Bank:

The following table sets out the credit risk concentration by economic sector of the Group and the Bank:

Group	Short-term funds, securities purchased under resale agreements and placements with financial institutions RM'000	Financial assets at FVTPL RM'000	Debt instruments at FVOCI RM'000	Debt instruments at amortised cost RM'000	Loans, advances and financing RM'000	Derivative financial assets, statutory deposits and other assets RM'000	Total RM'000	Commitments and contingencies RM'000
2025								
Agriculture, hunting, forestry and fishing	-	105	-	-	735,919	1,107	737,131	1,331,782
Mining and quarrying	-	-	-	-	423,857	-	423,857	282,877
Manufacturing	-	911	335,906	151,444	11,789,482	33,557	12,311,300	18,787,148
Electricity, gas and water	-	12,305	196,596	-	1,091,462	1,818	1,302,181	574,293
Construction	-	1,756	-	49,885	9,071,893	21,094	9,144,628	21,575,195
Wholesale, retail trade, restaurants and hotels	-	-	-	345,620	13,401,998	21,754	13,769,372	16,434,605
Transport, storage and communication	-	67,075	295,275	841,272	4,326,161	21,674	5,551,457	5,974,352
Finance, insurance and business services	6,350,061	7,136,461	20,906,597	8,001,037	2,773,579	3,776,383	48,944,118	291,433,064
Real estate	-	5,129	-	-	4,566,776	3,301	4,575,206	1,203,233
Community, social and personal services	-	-	399,872	513,140	175,750	18	1,088,780	79,399
Households:								
- Purchase of residential properties	-	-	-	-	41,922,442	-	41,922,442	-
- Purchase of non-residential properties	-	-	-	-	7,173,402	-	7,173,402	-
- Others	-	-	-	-	12,751,423	197	12,751,620	34,421,079
Others	-	-	-	-	-	-	-	-
Other assets not subject to credit risk	-	-	-	-	-	3,804,389	3,804,389	-
	6,350,061	7,223,742	22,134,246	9,902,398	110,204,144	7,685,292	163,499,883	392,097,027

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(c) Credit risk concentration by economic sector of the Group and the Bank (Continued):

The following table sets out the credit risk concentration by economic sector of the Group and the Bank (Continued):

Group	Short-term funds, securities purchased under resale agreements and placements with financial institutions RM'000	Financial assets at FVTPL RM'000	Debt instruments at FVOCI RM'000	Debt instruments at amortised cost RM'000	Loans, advances and financing RM'000	Derivative financial assets, statutory deposits and other assets RM'000	Total RM'000	Commitments and contingencies RM'000
2024								
Agriculture, hunting, forestry and fishing	-	201	-	-	925,754	48	926,003	1,332,192
Mining and quarrying	-	308	-	-	245,523	-	245,831	229,551
Manufacturing	-	6,247	-	174,861	10,151,557	53,518	10,386,183	16,746,534
Electricity, gas and water	-	2,472	77,298	-	1,420,377	358	1,500,505	482,090
Construction	-	-	-	49,824	7,237,111	3,594	7,290,529	18,747,889
Wholesale, retail trade, restaurants and hotels	-	9,921	-	380,728	14,595,547	10,388	14,996,584	13,914,121
Transport, storage and communication	-	310	316,119	639,366	4,429,905	2,738	5,388,438	4,497,886
Finance, insurance and business services	7,563,383	6,286,787	16,013,895	8,000,056	3,225,497	3,549,206	44,638,824	212,816,031
Real estate	-	-	-	-	4,052,532	1,703	4,054,235	821,481
Community, social and personal services	-	-	-	714,137	366,158	3	1,080,298	77,220
Households:								
- Purchase of residential properties	-	-	-	-	40,818,978	-	40,818,978	-
- Purchase of non-residential properties	-	-	-	-	7,417,633	-	7,417,633	-
- Others	-	-	-	-	12,210,865	-	12,210,865	31,802,435
Others	-	-	-	-	-	-	-	39,799
Other assets not subject to credit risk	-	-	-	-	-	3,788,845	3,788,845	-
	7,563,383	6,306,246	16,407,312	9,958,972	107,097,437	7,410,401	154,743,751	301,507,229

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(c) Credit risk concentration by economic sector of the Group and the Bank (Continued):

The following table sets out the credit risk concentration by economic sector of the Group and the Bank (Continued):

Bank	Short-term funds, securities purchased under resale agreements and placements with financial institutions RM'000	Financial assets at FVTPL RM'000	Debt instruments at FVOCI RM'000	Debt instruments at amortised cost RM'000	Loans, advances and financing RM'000	Derivative financial assets, statutory deposits and other assets RM'000	Total RM'000	Commitments and contingencies RM'000
2025								
Agriculture, hunting, forestry and fishing	-	105	-	-	735,919	1,107	737,131	1,331,782
Mining and quarrying	-	-	-	-	423,857	-	423,857	282,877
Manufacturing	-	911	335,906	151,444	11,789,482	33,557	12,311,300	18,787,148
Electricity, gas and water	-	12,305	196,596	-	1,091,462	1,818	1,302,181	574,293
Construction	-	1,756	-	49,885	9,071,893	21,094	9,144,628	21,575,195
Wholesale, retail trade, restaurants and hotels	-	-	-	345,620	13,401,998	21,754	13,769,372	16,434,605
Transport, storage and communication	-	67,075	295,275	841,272	4,326,161	21,674	5,551,457	5,974,352
Finance, insurance and business services	6,350,061	7,136,461	20,906,597	8,001,037	2,773,579	3,776,383	48,944,118	291,433,064
Real estate	-	5,129	-	-	4,957,411	3,301	4,965,841	1,289,333
Community, social and personal services	-	-	399,872	513,140	175,750	18	1,088,780	79,399
Households:								
- Purchase of residential properties	-	-	-	-	41,922,442	-	41,922,442	-
- Purchase of non-residential properties	-	-	-	-	7,173,402	-	7,173,402	-
- Others	-	-	-	-	12,751,423	197	12,751,620	34,421,079
Others	-	-	-	-	-	-	-	-
Other assets not subject to credit risk	-	-	-	-	-	3,782,394	3,782,394	-
	6,350,061	7,223,742	22,134,246	9,902,398	110,594,779	7,663,297	163,868,523	392,183,127

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(c) Credit risk concentration by economic sector of the Group and the Bank (Continued):

The following table sets out the credit risk concentration by economic sector of the Group and the Bank (Continued):

Bank	Short-term funds, securities purchased under resale agreements and placements with financial institutions RM'000	Financial assets at FVTPL RM'000	Debt instruments at FVOCI RM'000	Debt instruments at amortised cost RM'000	Loans, advances and financing RM'000	Derivative financial assets, statutory deposits and other assets RM'000	Total RM'000	Commitments and contingencies RM'000
2024								
Agriculture, hunting, forestry and fishing	-	201	-	-	925,754	48	926,003	1,332,192
Mining and quarrying	-	308	-	-	245,523	-	245,831	229,551
Manufacturing	-	6,247	-	174,861	10,151,557	53,518	10,386,183	16,746,534
Electricity, gas and water	-	2,472	77,298	-	1,420,377	358	1,500,505	482,090
Construction	-	-	-	49,824	7,237,111	3,594	7,290,529	18,747,889
Wholesale, retail trade, restaurants and hotels	-	9,921	-	380,728	14,595,547	10,388	14,996,584	13,914,121
Transport, storage and communication	-	310	316,119	639,366	4,429,905	2,738	5,388,438	4,497,886
Finance, insurance and business services	7,563,383	6,286,787	16,013,895	8,000,056	3,225,497	3,549,206	44,638,824	212,816,031
Real estate	-	-	-	-	4,352,161	1,703	4,353,864	998,581
Community, social and personal services	-	-	-	714,137	366,158	3	1,080,298	77,220
Households:								
- Purchase of residential properties	-	-	-	-	40,818,978	-	40,818,978	-
- Purchase of non-residential properties	-	-	-	-	7,417,633	-	7,417,633	-
- Others	-	-	-	-	12,210,865	-	12,210,865	31,802,435
Others	-	-	-	-	-	-	-	39,799
Other assets not subject to credit risk	-	-	-	-	-	3,803,609	3,803,609	-
	7,563,383	6,306,246	16,407,312	9,958,972	107,397,066	7,425,165	155,058,144	301,684,329

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(d) Effects of holding collaterals

Collateral is taken whenever possible to mitigate the credit risk assumed. The value of the collateral is monitored periodically. The frequency of valuation depends on the type, liquidity and volatility of the collateral value. The main types of collateral taken by the Group and the Bank are cash, marketable securities, real estate, equipment, inventory and receivables. Policies and processes are in place to control, monitor and report concentration risk to particular types of collateral.

The credit risk of financial assets of the Group and the Bank is mitigated by the collaterals held against the financial assets.

(i) Effects of holding collaterals on credit-impaired loans, advances and financing

All credit-impaired loans, advances and financing are subject to impairment review as at the current and previous financial year-ends. The collateral mitigates credit risk and would reduce the extent of allowance for expected credit losses for the assets subject to impairment review.

Group and Bank	Financial effect RM'000	Maximum exposure to credit risk RM'000	Unsecured portion of credit exposure RM'000
2025			
Credit-impaired loans, advances and financing	2,087,269	2,889,540	802,271
2024			
Credit-impaired loans, advances and financing	1,894,436	2,663,010	768,574

For credit-impaired loans, advances and financing, allowance for ECL as at the date of the statements of financial position would have been higher by approximately RM2,087,269,000 (2024: RM1,894,436,000) without the collaterals held.

(ii) Repossessed collaterals

These are assets obtained by taking possession of collaterals held as security against loans, advances and financing.

Repossessed collaterals are sold as soon as practicable. Repossessed collaterals are recognised in other assets on the statements of financial position. The Group and the Bank do not occupy repossessed properties for its business use.

For the financial years ended 31 December 2025 and 31 December 2024, there were no repossessed collaterals.

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(e) Credit exposure analysed by geography

Group	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2025			
Cash and short-term funds	3,609,527	1,222,848	4,832,375
Deposits and placements with financial institutions	349,939	-	349,939
Securities purchased under resale agreements	1,167,747	-	1,167,747
Financial assets at FVTPL	7,205,636	18,106	7,223,742
Debt instruments at FVOCI	20,500,250	1,633,996	22,134,246
Debt instruments at amortised cost	9,902,398	-	9,902,398
Other assets	626,474	124,654	751,128
Derivative financial assets	1,879,473	422,302	2,301,775
Loans, advances and financing	105,221,010	4,983,134	110,204,144
Statutory deposits with BNM	828,000	-	828,000
Financial assets not subject to credit risk	3,803,522	867	3,804,389
	155,093,976	8,405,907	163,499,883
Commitments and contingencies	310,889,829	81,207,198	392,097,027
2024			
Cash and short-term funds	3,337,781	3,151,615	6,489,396
Deposits and placements with financial institutions	99,943	-	99,943
Securities purchased under resale agreements	974,044	-	974,044
Financial assets at FVTPL	6,305,601	645	6,306,246
Debt instruments at FVOCI	16,407,312	-	16,407,312
Debt instruments at amortised cost	9,958,972	-	9,958,972
Other assets	583,264	123,079	706,343
Derivative financial assets	1,053,580	251,633	1,305,213
Loans, advances and financing	102,398,907	4,698,530	107,097,437
Statutory deposits with BNM	1,610,000	-	1,610,000
Financial assets not subject to credit risk	3,715,043	73,802	3,788,845
	146,444,447	8,299,304	154,743,751
Commitments and contingencies	234,240,854	67,266,375	301,507,229

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(e) Credit exposure analysed by geography (Continued)

Bank	In Malaysia RM'000	Outside Malaysia RM'000	Total RM'000
2025			
Cash and short-term funds	3,609,527	1,222,848	4,832,375
Deposits and placements with financial institutions	349,939	-	349,939
Securities purchased under resale agreements	1,167,747	-	1,167,747
Financial assets at FVTPL	7,205,636	18,106	7,223,742
Debt instruments at FVOCI	20,500,250	1,633,996	22,134,246
Debt instruments at amortised cost	9,902,398	-	9,902,398
Other assets	626,474	124,654	751,128
Derivative financial assets	1,879,473	422,302	2,301,775
Loans, advances and financing	105,611,645	4,983,134	110,594,779
Statutory deposits with BNM	828,000	-	828,000
Financial assets not subject to credit risk	3,781,527	867	3,782,394
	155,462,616	8,405,907	163,868,523
Commitments and contingencies	310,975,929	81,207,198	392,183,127
2024			
Cash and short-term funds	3,337,781	3,151,615	6,489,396
Deposits and placements with financial institutions	99,943	-	99,943
Securities purchased under resale agreements	974,044	-	974,044
Financial assets at FVTPL	6,305,601	645	6,306,246
Debt instruments at FVOCI	16,407,312	-	16,407,312
Debt instruments at amortised cost	9,958,972	-	9,958,972
Other assets	583,264	123,079	706,343
Derivative financial assets	1,053,580	251,633	1,305,213
Loans, advances and financing	102,698,536	4,698,530	107,397,066
Statutory deposits with BNM	1,610,000	-	1,610,000
Financial assets not subject to credit risk	3,729,807	73,802	3,803,609
	146,758,840	8,299,304	155,058,144
Commitments and contingencies	234,417,954	67,266,375	301,684,329

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(f) Credit quality of financial assets and financial liabilities

The credit qualities of the Group's and the Bank's financial assets and financial liabilities are graded based on the following risk grades:

Risk grades	Description
Pass	Indicates that timely repayment of the outstanding credit facility is not in doubt. Repayment is prompt and the credit facility does not exhibit any potential weakness in repayment capability, business, cash flow or financial position of the borrower or obligor.
Special mention	Indicates that the credit facility exhibits potential weaknesses that, if not corrected in a timely manner, may adversely affect repayment by the borrower or obligor at a future date, and warrant close attention by the Group and the Bank.
Substandard	Indicates that the credit facility exhibits definable weaknesses, either in respect of the business, cash flow or financial position of the borrower or obligor that may jeopardise repayment on existing terms.
Doubtful	Indicates that the outstanding credit facility exhibits more severe weaknesses than those in a "substandard" credit facility, such that the prospect of full recovery of the outstanding credit facility is questionable and the prospect of a loss is high, but the exact amount remains undeterminable as yet.
Loss	Indicates that the outstanding credit facility is not collectable, and little or nothing can be done to recover the outstanding amount from any collateral or from the assets of the borrower or obligor generally.
Investment grade	Indicates that the securities have a low risk of default, determined based on a relative scale by credit rating agencies such as RAM (AAA to BBB3) and Malaysian Rating Corporation Berhad (MARC) (AAA to BBB-). Such credit ratings express the ability and willingness of securities issuer to repay its debt and are based on many financial and economic indicators that influence the borrower's or obligor's creditworthiness.
Non-investment grade	Indicates that the securities have possible risk of default, determined based on a relative scale by credit rating agencies such as RAM (BB1 to C3) and MARC (BB+ to C-). Such credit ratings express the ability and willingness of securities issuer to repay its debt and are based on many financial and economic indicators that influence the borrower's or obligor's creditworthiness.
Unrated	Indicates that the securities are not assigned or have not been assigned with a rating by any credit rating agencies.

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(f) Credit quality of financial assets and financial liabilities (Continued)

Gross loans, advances and financing

Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Pass	101,545,013	7,514,504	-	109,059,517
Special mention	-	608,872	-	608,872
Substandard	-	-	2,254,562	2,254,562
Doubtful	-	-	191,543	191,543
Loss	-	-	443,435	443,435
	101,545,013	8,123,376	2,889,540	112,557,929
2024				
Pass	96,898,324	8,746,992	-	105,645,316
Special mention	-	1,219,728	-	1,219,728
Substandard	-	-	2,135,430	2,135,430
Doubtful	-	-	86,552	86,552
Loss	-	-	441,028	441,028
	96,898,324	9,966,720	2,663,010	109,528,054
Bank				
2025				
Pass	101,938,248	7,514,504	-	109,452,752
Special mention	-	608,872	-	608,872
Substandard	-	-	2,254,562	2,254,562
Doubtful	-	-	191,543	191,543
Loss	-	-	443,435	443,435
	101,938,248	8,123,376	2,889,540	112,951,164
2024				
Pass	97,200,610	8,746,992	-	105,947,602
Special mention	-	1,219,728	-	1,219,728
Substandard	-	-	2,135,430	2,135,430
Doubtful	-	-	86,552	86,552
Loss	-	-	441,028	441,028
	97,200,610	9,966,720	2,663,010	109,830,340

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(f) Credit quality of financial assets and financial liabilities (Continued)

Irrevocable commitments and contingencies

Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Pass	86,417,192	3,223,370	-	89,640,562
Special mention	-	10,590	-	10,590
Substandard	-	-	72,676	72,676
Doubtful	-	-	-	-
Loss	-	-	26,378	26,378
	86,417,192	3,233,960	99,054	89,750,206
2024				
Pass	74,171,517	4,605,413	-	78,776,930
Special mention	-	-	-	-
Substandard	-	-	13,577	13,577
Doubtful	-	-	1,918	1,918
Loss	-	-	23,291	23,291
	74,171,517	4,605,413	38,786	78,815,716
Bank				
2025				
Pass	86,503,292	3,223,370	-	89,726,662
Special mention	-	10,590	-	10,590
Substandard	-	-	72,676	72,676
Doubtful	-	-	-	-
Loss	-	-	26,378	26,378
	86,503,292	3,233,960	99,054	89,836,306
2024				
Pass	74,348,617	4,605,413	-	78,954,030
Special mention	-	-	-	-
Substandard	-	-	13,577	13,577
Doubtful	-	-	1,918	1,918
Loss	-	-	23,291	23,291
	74,348,617	4,605,413	38,786	78,992,816

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(f) Credit quality of financial assets and financial liabilities (Continued)

Debt instruments at FVOCI

Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Investment grade	22,116,290	27,282	-	22,143,572
2024				
Investment grade	16,407,255	1,987	-	16,409,242

Debt instruments at amortised cost

Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Unrated	9,907,155	20,017	-	9,927,172
2024				
Unrated	9,236,564	739,242	-	9,975,806

Cash and short-term funds

Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Pass	4,833,877	-	-	4,833,877
2024				
Pass	6,507,376	-	-	6,507,376

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(f) Credit quality of financial assets and financial liabilities (Continued)

Deposits and placements with financial institutions

Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Pass	350,000	-	-	350,000
2024				
Pass	100,000	-	-	100,000

Other assets

Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Pass	1,969,445	68,624	-	2,038,069
2024				
Pass	1,812,607	160,813	-	1,973,420
Bank				
2025				
Pass	1,980,384	69,703	-	2,050,087
2024				
Pass	1,826,402	161,220	-	1,987,622

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(g) Expected credit loss allowance

Movements in gross carrying amount between stages for loans, advances and financing are as follows:

Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Gross carrying amount as at 1 January	96,898,324	9,966,720	2,663,010	109,528,054
Transferred to Stage 1	1,953,480	(1,872,914)	(80,566)	-
Transferred to Stage 2	(2,173,345)	2,410,875	(237,530)	-
Transferred to Stage 3	(442,664)	(745,050)	1,187,714	-
Net drawdown/maturity/settlement	5,309,218	(1,636,255)	(269,001)	3,403,962
Write-off	-	-	(374,087)	(374,087)
Balance as at 31 December	101,545,013	8,123,376	2,889,540	112,557,929
2024				
Gross carrying amount as at 1 January	93,413,558	10,894,515	2,831,791	107,139,864
Transferred to Stage 1	2,113,465	(1,956,517)	(156,948)	-
Transferred to Stage 2	(2,926,449)	3,150,063	(223,614)	-
Transferred to Stage 3	(327,630)	(624,575)	952,205	-
Net drawdown/maturity/settlement	4,625,380	(1,496,766)	(274,847)	2,853,767
Write-off	-	-	(465,577)	(465,577)
Balance as at 31 December	96,898,324	9,966,720	2,663,010	109,528,054

Bank				
2025				
Gross carrying amount as at 1 January	97,200,610	9,966,720	2,663,010	109,830,340
Transferred to Stage 1	1,953,480	(1,872,914)	(80,566)	-
Transferred to Stage 2	(2,173,345)	2,410,875	(237,530)	-
Transferred to Stage 3	(442,664)	(745,050)	1,187,714	-
Net drawdown/maturity/settlement	5,400,167	(1,636,255)	(269,001)	3,494,911
Write-off	-	-	(374,087)	(374,087)
Balance as at 31 December	101,938,248	8,123,376	2,889,540	112,951,164
2024				
Gross carrying amount as at 1 January	93,718,857	10,894,515	2,831,791	107,445,163
Transferred to Stage 1	2,113,465	(1,956,517)	(156,948)	-
Transferred to Stage 2	(2,926,449)	3,150,063	(223,614)	-
Transferred to Stage 3	(327,630)	(624,575)	952,205	-
Net drawdown/maturity/settlement	4,622,367	(1,496,766)	(274,847)	2,850,754
Write-off	-	-	(465,577)	(465,577)
Balance as at 31 December	97,200,610	9,966,720	2,663,010	109,830,340

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(g) Expected credit loss allowance (Continued)

Movements in gross carrying amount between stages for irrevocable commitments and contingencies are as follows:

Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Gross carrying amount as at 1 January	74,171,517	4,605,413	38,786	78,815,716
Transferred to Stage 1	2,512,016	(2,512,016)	-	-
Transferred to Stage 2	(1,225,480)	1,225,480	-	-
Transferred to Stage 3	(1,713)	(7,156)	8,869	-
Net increase/(decrease)	10,960,852	(77,761)	-	10,883,091
Write-off	-	-	51,399	51,399
Balance as at 31 December	86,417,192	3,233,960	99,054	89,750,206
2024				
Gross carrying amount as at 1 January	70,381,882	4,305,680	41,948	74,729,510
Transferred to Stage 1	2,197,645	(2,197,645)	-	-
Transferred to Stage 2	(2,653,692)	2,653,692	-	-
Transferred to Stage 3	(590)	(425)	1,015	-
Net increase/(decrease)	4,246,272	(155,889)	(4,177)	4,086,206
Balance as at 31 December	74,171,517	4,605,413	38,786	78,815,716
Bank				
2025				
Gross carrying amount as at 1 January	74,348,617	4,605,413	38,786	78,992,816
Transferred to Stage 1	2,512,016	(2,512,016)	-	-
Transferred to Stage 2	(1,225,480)	1,225,480	-	-
Transferred to Stage 3	(1,713)	(7,156)	8,869	-
Net increase/(decrease)	10,869,852	(77,761)	-	10,792,091
Write-off	-	-	51,399	51,399
Balance as at 31 December	86,503,292	3,233,960	99,054	89,836,306
2024				
Gross carrying amount as at 1 January	70,381,882	4,305,680	41,948	74,729,510
Transferred to Stage 1	2,197,645	(2,197,645)	-	-
Transferred to Stage 2	(2,653,692)	2,653,692	-	-
Transferred to Stage 3	(590)	(425)	1,015	-
Net increase/(decrease)	4,423,372	(155,889)	(4,177)	4,263,306
Balance as at 31 December	74,348,617	4,605,413	38,786	78,992,816

41. Financial Risk Management (Continued)

41.1 Credit Risk (Continued)

(g) Expected credit loss allowance (Continued)

Movements in gross carrying amount between stages for debt instruments at amortised cost are as follows:

Group and Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Gross carrying amount as at 1 January	9,236,564	739,242	-	9,975,806
Transferred to Stage 1	694,250	(694,250)	-	-
Net decrease	(23,659)	(24,975)	-	(48,634)
Balance as at 31 December	9,907,155	20,017	-	9,927,172
2024				
Gross carrying amount as at 1 January	9,613,199	260,362	-	9,873,561
Transferred to Stage 2	(356,500)	356,500	-	-
Net (decrease)/increase	(20,135)	122,380	-	102,245
Balance as at 31 December	9,236,564	739,242	-	9,975,806

Cash and short-term funds

No transfer between stages occurred for the Group's and the Bank's cash and short-term funds during the financial year. Gross balance in Stage 1 as at 31 December 2025 was RM4,833,877,000 (2024: RM6,507,376,000).

Deposits and placements with financial institutions

No transfer between stages occurred for the Group's and the Bank's deposits and placements with financial institutions during the financial year. Gross balance in Stage 1 as at 31 December 2025 was RM350,000,000 (2024: RM100,000,000).

Debt instruments at FVOCI

No transfers between stages occurred for the Group's and the Bank's debt instruments at FVOCI during the financial year. Gross balances in Stage 1 and Stage 2 as at 31 December 2025 were RM22,116,290,000 (2024: RM16,407,255,000) and RM27,282,000 (2024: RM1,987,000), respectively.

Other assets

No transfers between stages occurred for the Group's and the Bank's other assets during the financial year. The Group's gross balances in Stage 1 and Stage 2 as at 31 December 2025 were RM1,969,445,000 (2024: RM1,812,607,000) and RM68,624,000 (2024: RM160,813,000), respectively. The Bank's gross balances in Stage 1 and Stage 2 as at 31 December 2025 were RM1,980,384,000 (2024: RM1,826,402,000) and RM69,703,000 (2024: RM161,220,000), respectively.

41. Financial Risk Management (Continued)

41.2 Market risk

(i) Foreign exchange risk

Foreign exchange risk is the risk to earnings and economic value of foreign currency assets, liabilities and financial derivatives caused by fluctuations in foreign exchange rates.

Foreign exchange exposures of the Group and the Bank arise mainly from foreign exchange position-taking from proprietary business and customer facilitation business. Foreign exchange contracts and foreign exchange derivatives are utilised by the Group and the Bank to hedge and mitigate the foreign exchange exposures.

Foreign exchange risk is managed through policies which are approved by the Board of Directors while market risk limits are approved by the EXCO. The limits are independently monitored by Market Risk and Product Control.

The Group and the Bank have performed foreign currency sensitivity analysis by using Expected Shortfall (ES) as demonstrated in Note 41.2(iv).

41. Financial Risk Management (Continued)

41.2 Market risk (Continued)

(i) Foreign exchange risk (Continued)

The following table provides a breakdown of the Group's and the Bank's assets and liabilities by currency as at the reporting date.

The "others" include mainly exposure to Australian Dollar, Japanese Yen, Chinese Renminbi, Philippine Peso and Brunei Dollar.

Group	Malaysian Ringgit RM'000	United States Dollar RM'000	Singapore Dollar RM'000	Others RM'000	Total RM'000
2025					
Total assets	163,240,240	(201,495)	124,819	336,319	163,499,883
Total liabilities	122,125,014	22,740,118	1,321,223	1,681,562	147,867,917
Net assets/liabilities	41,115,226	(22,941,613)	(1,196,404)	(1,345,243)	15,631,966
2024					
Total assets	146,408,499	8,633,121	(1,039,810)	741,941	154,743,751
Total liabilities	113,676,126	23,598,350	489,547	1,958,939	139,722,962
Net assets/liabilities	32,732,373	(14,965,229)	(1,529,357)	(1,216,998)	15,020,789
Bank					
2025					
Total assets	163,608,880	(201,495)	124,819	336,319	163,868,523
Total liabilities	122,656,675	22,740,118	1,321,223	1,681,562	148,399,578
Net assets/liabilities	40,952,205	(22,941,613)	(1,196,404)	(1,345,243)	15,468,945
2024					
Total assets	146,722,892	8,633,121	(1,039,810)	741,941	155,058,144
Total liabilities	114,078,425	23,598,350	489,547	1,958,939	140,125,261
Net assets/liabilities	32,644,467	(14,965,229)	(1,529,357)	(1,216,998)	14,932,883

41. Financial Risk Management (Continued)

41.2 Market risk (Continued)

(ii) Interest rate/rate of return risk in the banking book

Interest rate/rate of return risk in the banking book is the impact to earnings and economic value of the Group and the Bank due to fluctuations in interest/profit rates.

Banking book interest rate/rate of return exposure arises from the differences in the maturities and repricing dates of assets, liabilities and off-balance sheet items. These mismatches are actively monitored and managed as part of the overall banking book interest rate/rate of return risk management process which is conducted in accordance with the policies as approved by the Board.

The Bank's interest rate/rate of return risk sensitivity is measured as changes in the economic value of equity (EVE) or net interest/finance income (NII/NFI) based on the Basel Interest Rate/Rate of Return Risk in the Banking Book requirements. At 100 and 200 basis points parallel interest rate/rate of return shocks, worst case results were negative RM409 million and RM718 million (2024: negative RM320 million and RM533 million) respectively, mainly driven by MYR and USD positions.

Changes in EVE are the simulated change of present value of assets less present value of liabilities of the Bank, computed based on repricing cashflow of principal and interests including commercial margin and discounted using risk free rate. Changes in NII/NFI are the simulated change in the Bank's net interest/finance income over a one year time horizon. Interest rate flooring effects according to revised MAS637 requirements are taken into consideration. The repricing profile of loans is generally based on the earliest possible repricing dates, taking into account the notice period to be served to the customers. Loan prepayment, time deposit early withdrawal rates and future drawdown of undrawn commitments are estimated based on past statistics and trends where possible and material. The average repricing maturity of non-maturity deposits is determined through empirical studies following the two step approach under the Basel IRRBB guidelines. Behavioural assumptions based on historical trends or expert judgements are applied where appropriate. Total changes in EVE and NII are the sum of changes in EVE and NII of each currency with significant exposures and other currencies on an aggregated basis.

41. Financial Risk Management (Continued)

41.2 Market risk (Continued)

(iii) Interest/profit rate risk

The Group and the Bank are exposed to various risks associated with the effects of fluctuations in the prevailing level of market interest/profit rates on the financial position and cash flows. The following tables summarise the Group's and the Bank's exposures to interest/profit rate risk. The financial assets and financial liabilities at carrying amounts are categorised by the earlier of the next contractual repricing and maturity dates.

	Non-trading book							
Group	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest Sensitive RM'000	Trading Book RM'000	Total RM'000
2025								
Financial assets								
Cash and short-term funds	4,833,877	-	-	-	-	(1,502)	-	4,832,375
Deposits and placements with financial institutions	349,939	-	-	-	-	-	-	349,939
Securities purchased under resale agreements	1,127,477	-	40,270	-	-	-	-	1,167,747
Financial assets at FVTPL	-	-	-	-	-	-	7,223,742	7,223,742
Debt instruments at FVOCI	1,100,751	298,873	823,161	3,111,748	16,809,039	(9,326)	-	22,134,246
Equity instruments at FVOCI	-	-	-	-	-	159,824	-	159,824
Debt instruments at amortised cost	26,987	8,823	252,371	4,713,608	4,925,383	(24,774)	-	9,902,398
Other assets	325,104	-	-	-	-	1,710,366	-	2,035,470
Derivative financial assets	-	-	-	-	-	-	2,301,775	2,301,775
Loans, advances and financing	109,585,711	1,058,293	61,926	1,331,752	520,247	(2,353,785)	-	110,204,144
Statutory deposits with BNM	-	-	-	-	-	828,000	-	828,000
Total financial assets	117,349,846	1,365,989	1,177,728	9,157,108	22,254,669	308,803	9,525,517	161,139,660
Financial liabilities								
Deposits from customers	89,890,901	20,797,097	9,982,947	14,597	-	623,349	-	121,308,891
Deposits and placements of banks and other financial institutions	9,876,042	4,468,594	4,982	39,855	948,068	-	-	15,337,541
Obligations on securities sold under repurchase agreements	1,632,552	-	-	-	-	-	-	1,632,552
Bills and acceptances payable	-	-	-	-	-	206,992	-	206,992
Other liabilities	81,766	110,255	269,799	497,453	-	3,448,303	-	4,407,576
Derivative financial liabilities	-	-	-	-	-	-	2,576,589	2,576,589
Subordinated bonds/sukuk	-	-	-	-	2,250,000	-	-	2,250,000
Total financial liabilities	101,481,261	25,375,946	10,257,728	551,905	3,198,068	4,278,644	2,576,589	147,720,141
On-balance sheet interest/profit sensitivity gap	15,868,585	(24,009,957)	(9,080,000)	8,605,203	19,056,601	(3,969,841)	6,948,928	13,419,519
Off-balance sheet interest/profit sensitivity gap	2,426,149	-	-	(411,125)	(2,015,024)	-	-	-
Total interest/profit sensitivity gap	18,294,734	(24,009,957)	(9,080,000)	8,194,078	17,041,577	(3,969,841)	6,948,928	13,419,519

41. Financial Risk Management (Continued)

41.2 Market risk (Continued)

(iii) Interest/profit rate risk (Continued)

Group	Non-trading book						Trading Book RM'000	Total RM'000
	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest Sensitive RM'000		
2024								
Financial assets								
Cash and short-term funds	6,507,376	-	-	-	-	(17,980)	-	6,489,396
Deposits and placements with financial institutions	99,943	-	-	-	-	-	-	99,943
Securities purchased under resale agreements	620,605	97,191	256,248	-	-	-	-	974,044
Financial assets at FVTPL	-	-	-	-	-	-	6,306,246	6,306,246
Debt instruments at FVOCI	1,395,269	252,307	603,214	3,977,492	10,180,960	(1,930)	-	16,407,312
Equity instruments at FVOCI	-	-	-	-	-	174,161	-	174,161
Debt instruments at amortised cost	200,098	83,577	578,925	4,573,848	4,539,358	(16,834)	-	9,958,972
Other assets	362,001	-	-	-	-	1,603,564	-	1,965,565
Derivative financial assets	-	-	-	-	-	-	1,305,213	1,305,213
Loans, advances and financing	106,526,907	1,229,631	77,593	1,373,661	320,262	(2,430,617)	-	107,097,437
Statutory deposits with BNM	-	-	-	-	-	1,610,000	-	1,610,000
Total financial assets	115,712,199	1,662,706	1,515,980	9,925,001	15,040,580	920,364	7,611,459	152,388,289
Financial liabilities								
Deposits from customers	83,428,728	17,907,479	12,893,016	26,882	-	329,480	-	114,585,585
Deposits and placements of banks and other financial institutions	12,590,675	1,789,430	252,715	-	-	-	-	14,632,820
Obligations on securities sold under repurchase agreements	1,973,281	-	-	-	-	-	-	1,973,281
Bills and acceptances payable	-	-	-	-	-	230,992	-	230,992
Other liabilities	102,472	34,565	243,659	1,437,830	100,000	2,608,960	-	4,527,486
Derivative financial liabilities	-	-	-	-	-	-	1,360,345	1,360,345
Subordinated bonds/sukuk	-	-	-	-	2,249,352	-	-	2,249,352
Total financial liabilities	98,095,156	19,731,474	13,389,390	1,464,712	2,349,352	3,169,432	1,360,345	139,559,861
On-balance sheet interest/profit sensitivity gap	17,617,043	(18,068,768)	(11,873,410)	8,460,289	12,691,228	(2,249,068)	6,251,114	12,828,428
Off-balance sheet interest/profit sensitivity gap	750,000	-	-	-	(750,000)	-	-	-
Total interest/profit sensitivity gap	18,367,043	(18,068,768)	(11,873,410)	8,460,289	11,941,228	(2,249,068)	6,251,114	12,828,428

41. Financial Risk Management (Continued)

41.2 Market risk (Continued)

(iii) Interest/profit rate risk (Continued)

	Non-trading book							
Bank	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest Sensitive RM'000	Trading Book RM'000	Total RM'000
2025								
Financial assets								
Cash and short-term funds	4,833,877	-	-	-	-	(1,502)	-	4,832,375
Deposits and placements with financial institutions	349,939	-	-	-	-	-	-	349,939
Securities purchased under resale agreements	1,127,477	-	40,270	-	-	-	-	1,167,747
Financial assets at FVTPL	-	-	-	-	-	-	7,223,742	7,223,742
Debt instruments at FVOCI	1,100,751	298,873	823,161	3,111,748	16,809,039	(9,326)	-	22,134,246
Equity instruments at FVOCI	-	-	-	-	-	159,824	-	159,824
Debt instruments at amortised cost	26,987	8,823	252,371	4,713,608	4,925,383	(24,774)	-	9,902,398
Other assets	325,104	-	-	-	-	1,722,376	-	2,047,480
Derivative financial assets	-	-	-	-	-	-	2,301,775	2,301,775
Loans, advances and financing	109,978,946	1,058,293	61,926	1,331,752	520,247	(2,356,385)	-	110,594,779
Statutory deposits with BNM	-	-	-	-	-	828,000	-	828,000
Total financial assets	117,743,081	1,365,989	1,177,728	9,157,108	22,254,669	318,213	9,525,517	161,542,305
Financial liabilities								
Deposits from customers	89,906,979	20,797,097	9,982,947	14,597	-	624,232	-	121,325,852
Deposits and placements of banks and other financial institutions	9,876,062	4,468,594	4,982	39,855	948,068	-	-	15,337,561
Obligations on securities sold under repurchase agreements	1,632,552	-	-	-	-	-	-	1,632,552
Bills and acceptances payable	-	-	-	-	-	206,992	-	206,992
Other liabilities	81,766	110,255	269,799	497,453	-	3,439,132	-	4,398,405
Derivative financial liabilities	-	-	-	-	-	-	2,576,589	2,576,589
Subordinated bonds/sukuk	-	-	-	-	2,250,000	-	-	2,250,000
Total financial liabilities	101,497,359	25,375,946	10,257,728	551,905	3,198,068	4,270,356	2,576,589	147,727,951
On-balance sheet interest/profit sensitivity gap	16,245,722	(24,009,957)	(9,080,000)	8,605,203	19,056,601	(3,952,143)	6,948,928	13,814,354
Off-balance sheet interest/profit sensitivity gap	2,426,149	-	-	(411,125)	(2,015,024)	-	-	-
Total interest/profit sensitivity gap	18,671,871	(24,009,957)	(9,080,000)	8,194,078	17,041,577	(3,952,143)	6,948,928	13,814,354

41. Financial Risk Management (Continued)

41.2 Market risk (Continued)

(iii) Interest/profit rate risk (Continued)

	Non-trading book							
Bank	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-interest Sensitive RM'000	Trading Book RM'000	Total RM'000
2024								
Financial assets								
Cash and short-term funds	6,507,376	-	-	-	-	(17,980)	-	6,489,396
Deposits and placements with financial institutions	99,943	-	-	-	-	-	-	99,943
Securities purchased under resale agreements	620,605	97,191	256,248	-	-	-	-	974,044
Financial assets at FVTPL	-	-	-	-	-	-	6,306,246	6,306,246
Debt instruments at FVOCI	1,395,269	252,307	603,214	3,977,492	10,180,960	(1,930)	-	16,407,312
Equity instruments at FVOCI	-	-	-	-	-	174,161	-	174,161
Debt instruments at amortised cost	200,098	83,577	578,925	4,573,848	4,539,358	(16,834)	-	9,958,972
Other assets	362,001	-	-	-	-	1,617,738	-	1,979,739
Derivative financial assets	-	-	-	-	-	-	1,305,213	1,305,213
Loans, advances and financing	106,829,193	1,229,631	77,593	1,373,661	320,262	(2,433,274)	-	107,397,066
Statutory deposits with BNM	-	-	-	-	-	1,610,000	-	1,610,000
Total financial assets	116,014,485	1,662,706	1,515,980	9,925,001	15,040,580	931,881	7,611,459	152,702,092
Financial liabilities								
Deposits from customers	83,446,343	17,907,479	12,893,016	26,882	-	330,363	-	114,604,083
Deposits and placements of banks and other financial institutions	12,590,695	1,789,430	252,715	-	-	-	-	14,632,840
Obligations on securities sold under repurchase agreements	1,973,281	-	-	-	-	-	-	1,973,281
Bills and acceptances payable	-	-	-	-	-	230,992	-	230,992
Other liabilities	102,472	34,565	243,659	1,437,830	100,000	2,588,432	-	4,506,958
Derivative financial liabilities	-	-	-	-	-	-	1,360,345	1,360,345
Subordinated bonds/sukuk	-	-	-	-	2,249,352	-	-	2,249,352
Total financial liabilities	98,112,791	19,731,474	13,389,390	1,464,712	2,349,352	3,149,787	1,360,345	139,557,851
On-balance sheet interest/profit sensitivity gap	17,901,694	(18,068,768)	(11,873,410)	8,460,289	12,691,228	(2,217,906)	6,251,114	13,144,241
Off-balance sheet interest/profit sensitivity gap	750,000	-	-	-	(750,000)	-	-	-
Total interest/profit sensitivity gap	18,651,694	(18,068,768)	(11,873,410)	8,460,289	11,941,228	(2,217,906)	6,251,114	13,144,241

41. Financial Risk Management (Continued)

41.2 Market risk (Continued)

(iv) Expected Shortfall (ES)

The Group and the Bank adopt a daily ES to estimate market risk within a 97.5% confidence interval over a one-day holding period, using the historical simulation method for its trading book. This entails the estimation of tail loss based on the most recent historical data. This methodology does not make assumptions on the distribution of returns and the correlations between risk classes. It assumes that possible future changes in market rates may be implied by observed historical market movements. ES is the average portfolio loss, assuming that the loss is greater than the specified percentile of the loss distribution. Market risk stress tests are conducted to complement the daily ES. The table below shows the ES profile by risk classes.

2025	Year end RM'000	High RM'000	Low RM'000	Average RM'000
Interest/profit rate	4,466	6,907	1,547	3,803
Foreign exchange	521	1,584	58	239
Commodities	56	373	1	32
Option volatility	1,339	1,361	218	690
Equities	64	370	12	41
Credit	1,055	1,686	768	1,184
Total diversified ES*	11,344	13,056	4,449	8,516
2024				
Interest/profit rate	1,774	3,940	1,681	2,655
Foreign exchange	110	3,608	33	395
Commodities	4	115	-	8
Option volatility	970	1,649	712	1,152
Equities	40	247	2	23
Credit	1,149	1,461	553	932
Total diversified ES*	5,551	8,700	3,540	6,135

* Total diversified ES includes jump-to-default risk component (referring to the risk that a financial instrument where the mark-to-market value directly depends on the credit quality of one or more underlying references. Financial instruments may be exposed to the sudden price changes due to an unexpected default event incurred by the underlying reference).

41.3 Liquidity risk

Liquidity risk is the risk that the Group and the Bank are unable to meet their financial obligations as and when they fall due, such as upon maturity of deposits and drawdown of loans/financing.

The Group and the Bank manage liquidity risk in accordance with the liquidity framework approved by the Board and by Board delegated committees. This framework comprises policies, controls and limits. These controls and policies include the setting of cash flow mismatch limits, monitoring of liquidity early warning indicators, stress test analysis of cash flows in liquidity crisis scenarios and the establishment of a comprehensive contingency funding plan. The Group and the Bank are also required by the regulators to maintain high quality liquid assets as a buffer against unforeseen liquidity requirements. The main objectives are honouring all cash outflow commitments on an on-going basis, satisfying statutory liquidity and reserve requirements, and avoiding raising funds at market premiums or through forced sale of assets.

41. Financial Risk Management (Continued)

41.3 Liquidity risk (Continued)

The following table shows the contractual undiscounted cash flows of the Group's and the Bank's assets and liabilities based on remaining contractual maturities. The contractual maturity profile often does not reflect the actual behavioural patterns. In particular, the Bank has a significant amount of "core deposits" of non-bank customers which are contractually at call (included in the "up to 3 months" time band) but have historically provided a stable source of long-term funding for the Bank.

Group	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
2025							
Assets							
Cash and short-term funds	4,425,254	-	-	-	-	410,403	4,835,657
Deposits and placements with financial institutions	350,000	-	-	-	-	(61)	349,939
Securities purchased under resale agreements	1,131,095	-	41,417	-	-	5,679	1,178,191
Financial assets at FVTPL	2,497,931	749,048	2,498,688	1,220,007	521,984	(26,939)	7,460,719
Debt instruments at FVOCI	1,228,079	585,417	1,222,908	6,305,278	19,227,469	494,387	29,063,538
Equity instruments at FVOCI	-	-	-	-	-	159,824	159,824
Debt instruments at amortised cost	132,522	149,193	487,730	6,127,053	6,083,286	(64,375)	12,915,409
Other assets	-	-	-	-	336,403	899,478	1,235,881
Derivative financial assets	-	-	-	-	-	2,301,775	2,301,775
Loans, advances and financing	12,083,018	5,873,693	16,617,681	36,512,472	75,309,315	(2,740,055)	143,656,124
Statutory deposits with BNM	-	-	-	-	828,000	-	828,000
	21,847,899	7,357,351	20,868,424	50,164,810	102,306,457	1,440,116	203,985,057
Liabilities							
Deposits from customers	91,333,104	20,450,123	10,385,122	503,945	17,024	(3,741)	122,685,577
Deposits and placements of banks and other financial institutions	14,492,400	2,491	4,982	39,855	943,388	-	15,483,116
Obligations on securities sold under repurchase agreements	1,635,741	-	-	-	-	-	1,635,741
Bills and acceptances payable	-	-	-	-	-	206,992	206,992
Other liabilities	2,238,587	8,184	37,245	535,288	50,636	49,319	2,919,259
Derivative financial liabilities	-	-	-	-	-	2,576,589	2,576,589
Tax payable	-	-	-	-	-	32,809	32,809
Lease liabilities	109	114	794	55,886	19,499	-	76,402
Subordinated bonds/sukuk	24,395	24,483	49,013	1,714,752	807,592	-	2,620,235
	109,724,336	20,485,395	10,477,156	2,849,726	1,838,139	2,861,968	148,236,720
Net maturity mismatches	(87,876,437)	(13,128,044)	10,391,268	47,315,084	100,468,318	(1,421,852)	
Off-balance sheet liabilities							
Commitments and contingencies	19,222,425	4,507,468	(9,924)	(17,173)	(32,878)	-	23,669,918
Derivatives	519,004	156,647	(73,142)	(181,574)	(12,701)	-	408,234
Net maturity mismatches	19,741,429	4,664,115	(83,066)	(198,747)	(45,579)	-	24,078,152

41. Financial Risk Management (Continued)

41.3 Liquidity risk (Continued)

Group	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
2024							
Assets							
Cash and short-term funds	6,129,433	-	-	-	-	363,114	6,492,547
Deposits and placements with financial institutions	100,000	-	-	-	-	(57)	99,943
Securities purchased under resale agreements	622,937	98,091	266,491	-	-	7,928	995,447
Financial assets at FVTPL	3,141,837	1,535,095	896,859	762,028	192,366	2,215	6,530,400
Debt instruments at FVOCI	1,481,170	720,340	644,693	5,818,078	13,609,685	209,412	22,483,378
Equity instruments at FVOCI	-	-	-	-	906	173,255	174,161
Debt instruments at amortised cost	288,968	234,682	820,539	6,152,038	5,411,020	(60,894)	12,846,353
Other assets	-	-	-	-	368,598	427,012	795,610
Derivative financial assets	-	-	-	-	-	1,305,213	1,305,213
Loans, advances and financing	22,098,278	6,645,694	9,719,291	31,973,880	74,649,990	(2,764,281)	142,322,852
Statutory deposits with BNM	-	-	-	-	1,610,000	-	1,610,000
	33,862,623	9,233,902	12,347,873	44,706,024	95,842,565	(337,083)	195,655,904
Liabilities							
Deposits from customers	83,857,455	17,949,724	13,228,570	1,127,125	7,315	5,974	116,176,163
Deposits and placements of banks and other financial institutions	13,147,176	460,668	258,804	24,444	948,686	-	14,839,778
Obligations on securities sold under repurchase agreements	1,980,277	-	-	-	-	-	1,980,277
Bills and acceptances payable	-	-	-	-	-	230,992	230,992
Other liabilities	820,368	15,066	200,937	1,643,997	55,719	95,896	2,831,983
Derivative financial liabilities	-	-	-	-	-	1,360,345	1,360,345
Tax payable	-	-	-	-	-	37,101	37,101
Lease liabilities	153	68	191	81,428	17,070	-	98,910
Subordinated bonds/sukuk	21,217	24,483	795,649	1,668,213	-	(648)	2,508,914
	99,826,646	18,450,009	14,484,151	4,545,207	1,028,790	1,729,660	140,064,463
Net maturity mismatches	(65,964,023)	(9,216,107)	(2,136,278)	40,160,817	94,813,775	(2,066,743)	
Off-balance sheet liabilities							
Commitments and contingencies	20,150,348	1,359,248	(357)	1,517	144,635	-	21,655,391
Derivatives	329,989	(220,310)	(1,904)	11,980	(393)	-	119,362
Net maturity mismatches	20,480,337	1,138,938	(2,261)	13,497	144,242	-	21,774,753

41. Financial Risk Management (Continued)

41.3 Liquidity risk (Continued)

Bank	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
2025							
Assets							
Cash and short-term funds	4,425,254	-	-	-	-	410,403	4,835,657
Deposits and placements with financial institutions	350,000	-	-	-	-	(61)	349,939
Securities purchased under resale agreements	1,131,095	-	41,417	-	-	5,679	1,178,191
Financial assets at FVTPL	2,497,931	749,048	2,498,688	1,220,007	521,984	(26,939)	7,460,719
Debt instruments at FVOCI	1,228,079	585,417	1,222,908	6,305,278	19,227,469	494,387	29,063,538
Equity instruments at FVOCI	-	-	-	-	-	159,824	159,824
Debt instruments at amortised cost	132,522	149,193	487,730	6,127,053	6,083,286	(64,375)	12,915,409
Other assets	-	-	-	-	336,403	899,478	1,235,881
Derivative financial assets	-	-	-	-	-	2,301,775	2,301,775
Loans, advances and financing	12,475,318	5,873,693	16,617,681	36,512,472	75,309,315	(2,741,721)	144,046,758
Statutory deposits with BNM	-	-	-	-	828,000	-	828,000
	22,240,199	7,357,351	20,868,424	50,164,810	102,306,457	1,438,450	204,375,691
Liabilities							
Deposits from customers	91,350,288	20,450,123	10,385,122	503,945	16,800	(3,741)	122,702,537
Deposits and placements of banks and other financial institutions	14,492,420	2,491	4,982	39,855	943,388	-	15,483,136
Obligations on securities sold under repurchase agreements	1,635,741	-	-	-	-	-	1,635,741
Bills and acceptances payable	-	-	-	-	-	206,992	206,992
Other liabilities	2,238,587	8,184	37,245	535,288	50,636	49,319	2,919,259
Derivative financial liabilities	-	-	-	-	-	2,576,589	2,576,589
Tax payable	-	-	-	-	-	34,021	34,021
Lease liabilities	109	114	794	55,886	580,703	-	637,606
Subordinated bonds/sukuk	24,395	24,483	49,013	1,714,752	807,592	-	2,620,235
	109,741,540	20,485,395	10,477,156	2,849,726	2,399,119	2,863,180	148,816,116
Net maturity mismatches	(87,501,341)	(13,128,044)	10,391,268	47,315,084	99,907,338	(1,424,730)	
Off-balance sheet liabilities							
Commitments and contingencies	19,222,425	4,507,468	(9,924)	(17,173)	(32,878)	-	23,669,918
Derivatives	519,004	156,647	(73,142)	(181,574)	(12,701)	-	408,234
Net maturity mismatches	19,741,429	4,664,115	(83,066)	(198,747)	(45,579)	-	24,078,152

41. Financial Risk Management (Continued)

41.3 Liquidity risk (Continued)

Bank	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
2024							
Assets							
Cash and short-term funds	6,129,433	-	-	-	-	363,114	6,492,547
Deposits and placements with financial institutions	100,000	-	-	-	-	(57)	99,943
Securities purchased under resale agreements	622,937	98,091	266,491	-	-	7,928	995,447
Financial assets at FVTPL	3,141,837	1,535,095	896,859	762,028	192,366	2,215	6,530,400
Debt instruments at FVOCI	1,481,170	720,340	644,693	5,818,078	13,609,685	209,412	22,483,378
Equity instruments at FVOCI	-	-	-	-	906	173,255	174,161
Debt instruments at amortised cost	288,968	234,682	820,539	6,152,038	5,411,020	(60,894)	12,846,353
Other assets	-	-	-	-	368,598	427,012	795,610
Derivative financial assets	-	-	-	-	-	1,305,213	1,305,213
Loans, advances and financing	22,400,078	6,645,694	9,719,291	31,973,880	74,649,990	(2,766,452)	142,622,481
Statutory deposits with BNM	-	-	-	-	1,610,000	-	1,610,000
	34,164,423	9,233,902	12,347,873	44,706,024	95,842,565	(339,254)	195,955,533
Liabilities							
Deposits from customers	83,876,176	17,949,724	13,228,570	1,127,125	7,092	5,974	116,194,661
Deposits and placements of banks and other financial institutions	13,147,196	460,668	258,804	24,444	948,686	-	14,839,798
Obligations on securities sold under repurchase agreements	1,980,277	-	-	-	-	-	1,980,277
Bills and acceptances payable	-	-	-	-	-	230,992	230,992
Other liabilities	820,368	15,066	200,937	1,643,997	55,719	95,896	2,831,983
Derivative financial liabilities	-	-	-	-	-	1,360,345	1,360,345
Tax payable	-	-	-	-	-	37,611	37,611
Lease liabilities	153	68	191	81,428	447,959	-	529,799
Subordinated bonds/sukuk	21,217	24,483	795,649	1,668,213	-	(648)	2,508,914
	99,845,387	18,450,009	14,484,151	4,545,207	1,459,456	1,730,170	140,514,380
Net maturity mismatches	(65,680,964)	(9,216,107)	(2,136,278)	40,160,817	94,383,109	(2,069,424)	
Off-balance sheet liabilities							
Commitments and contingencies	20,150,348	1,359,248	(357)	1,517	144,635	-	21,655,391
Derivatives	329,989	(220,310)	(1,904)	11,980	(393)	-	119,362
Net maturity mismatches	20,480,337	1,138,938	(2,261)	13,497	144,242	-	21,774,753

41. Financial Risk Management (Continued)

41.3 Liquidity risk (Continued)

The Group and the Bank are subject to liquidity requirements to support calls under outstanding contingent liabilities and undrawn credit facility commitments as disclosed in Note 39. These have been incorporated into the net position of off-balance sheet as at 31 December 2025 and 31 December 2024. The total outstanding contractual amounts of these items do not represent future cash requirements since the Group and the Bank expect many of these contingent liabilities and commitments (such as direct credit substitutes and undrawn credit facilities) to expire without being called or drawn upon, and many of the contingent liabilities (such as letters of credit) are reimbursable by customers.

42. Maturity Analysis of Assets and Liabilities

The following table shows an analysis of when the Group's and the Bank's assets and liabilities are expected to be recovered or settled.

Group	Within 12 months RM'000	After 12 months RM'000	Total RM'000
2025			
Assets			
Cash and short-term funds	4,832,375	-	4,832,375
Deposits and placements with financial institutions	349,939	-	349,939
Securities purchased under resale agreements	1,167,747	-	1,167,747
Financial assets at FVTPL	6,169,338	1,054,404	7,223,742
Debt instruments at FVOCI	2,221,096	19,913,150	22,134,246
Equity instruments at FVOCI	-	159,824	159,824
Debt instruments at amortised cost	287,519	9,614,879	9,902,398
Other assets	2,029,713	5,757	2,035,470
Derivative financial assets	1,506,521	795,254	2,301,775
Loans, advances and financing	35,604,421	74,599,723	110,204,144
Statutory deposits with BNM	-	828,000	828,000
Investment in an associate	-	418	418
Property, plant and equipment	-	1,477,758	1,477,758
Right-of-use assets	986	66,481	67,467
Intangible assets	-	440,074	440,074
Deferred tax assets	-	374,506	374,506
Total assets	54,169,655	109,330,228	163,499,883
Liabilities			
Deposits from customers	121,294,294	14,597	121,308,891
Deposits and placements of banks and other financial institutions	14,349,618	987,923	15,337,541
Obligations on securities sold under repurchase agreements	1,632,552	-	1,632,552
Bills and acceptances payable	206,992	-	206,992
Other liabilities	3,681,425	726,151	4,407,576
Derivative financial liabilities	2,070,683	505,906	2,576,589
Tax payable	32,809	-	32,809
Lease liabilities	1,016	75,386	76,402
Subordinated bonds/sukuk	-	2,250,000	2,250,000
Deferred tax liabilities	-	38,565	38,565
Total liabilities	143,269,389	4,598,528	147,867,917
Net mismatches	(89,099,734)	104,731,700	15,631,966

42. Maturity Analysis of Assets and Liabilities (Continued)

Group	Within 12 months RM'000	After 12 months RM'000	Total RM'000
2024			
Assets			
Cash and short-term funds	6,489,396	-	6,489,396
Deposits and placements with financial institutions	99,943	-	99,943
Securities purchased under resale agreements	974,044	-	974,044
Financial assets at FVTPL	5,453,864	852,382	6,306,246
Debt instruments at FVOCI	2,250,358	14,156,954	16,407,312
Equity instruments at FVOCI	-	174,161	174,161
Debt instruments at amortised cost	862,365	9,096,607	9,958,972
Other assets	1,960,220	5,345	1,965,565
Derivative financial assets	925,276	379,937	1,305,213
Loans, advances and financing	35,166,055	71,931,382	107,097,437
Statutory deposits with BNM	-	1,610,000	1,610,000
Investment in an associate	-	418	418
Property, plant and equipment	-	1,420,049	1,420,049
Right-of-use assets	401	90,576	90,977
Intangible assets	-	453,174	453,174
Deferred tax assets	-	390,844	390,844
Total assets	54,181,922	100,561,829	154,743,751
Liabilities			
Deposits from customers	114,229,223	356,362	114,585,585
Deposits and placements of banks and other financial institutions	14,632,820	-	14,632,820
Obligations on securities sold under repurchase agreements	1,973,281	-	1,973,281
Bills and acceptances payable	230,992	-	230,992
Other liabilities	2,753,667	1,773,819	4,527,486
Derivative financial liabilities	1,015,555	344,790	1,360,345
Tax payable	37,101	-	37,101
Lease liabilities	412	98,498	98,910
Subordinated bonds/sukuk	-	2,249,352	2,249,352
Deferred tax liabilities	-	27,090	27,090
Total liabilities	134,873,051	4,849,911	139,722,962
Net mismatches	(80,691,129)	95,711,918	15,020,789

42. Maturity Analysis of Assets and Liabilities (Continued)

Bank 2025	Within 12 months RM'000	After 12 months RM'000	Total RM'000
Assets			
Cash and short-term funds	4,832,375	-	4,832,375
Deposits and placements with financial institutions	349,939	-	349,939
Securities purchased under resale agreements	1,167,747	-	1,167,747
Financial assets at FVTPL	6,169,338	1,054,404	7,223,742
Debt instruments at FVOCI	2,221,096	19,913,150	22,134,246
Equity instruments at FVOCI	-	159,824	159,824
Debt instruments at amortised cost	287,519	9,614,879	9,902,398
Other assets	2,041,761	5,719	2,047,480
Derivative financial assets	1,506,521	795,254	2,301,775
Loans, advances and financing	35,991,263	74,603,516	110,594,779
Statutory deposits with BNM	-	828,000	828,000
Investment in subsidiaries	-	270,020	270,020
Investment in an associate	-	4,758	4,758
Property, plant and equipment	-	671,313	671,313
Right-of-use assets	986	573,799	574,785
Intangible assets	-	440,074	440,074
Deferred tax assets	-	365,268	365,268
Total assets	54,568,545	109,299,978	163,868,523
Liabilities			
Deposits from customers	121,311,255	14,597	121,325,852
Deposits and placements of banks and other financial institutions	14,349,638	987,923	15,337,561
Obligations on securities sold under repurchase agreements	1,632,552	-	1,632,552
Bills and acceptances payable	206,992	-	206,992
Other liabilities	3,672,254	726,151	4,398,405
Derivative financial liabilities	2,070,683	505,906	2,576,589
Tax payable	34,021	-	34,021
Lease liabilities	1,016	636,590	637,606
Subordinated bonds/sukuk	-	2,250,000	2,250,000
Total liabilities	143,278,411	5,121,167	148,399,578
Net mismatches	(88,709,866)	104,178,811	15,468,945

42. Maturity Analysis of Assets and Liabilities (Continued)

Bank 2024	Within 12 months RM'000	After 12 months RM'000	Total RM'000
Assets			
Cash and short-term funds	6,489,396	-	6,489,396
Deposits and placements with financial institutions	99,943	-	99,943
Securities purchased under resale agreements	974,044	-	974,044
Financial assets at FVTPL	5,453,864	852,382	6,306,246
Debt instruments at FVOCI	2,250,358	14,156,954	16,407,312
Equity instruments at FVOCI	-	174,161	174,161
Debt instruments at amortised cost	862,365	9,096,607	9,958,972
Other assets	1,974,432	5,307	1,979,739
Derivative financial assets	925,276	379,937	1,305,213
Loans, advances and financing	35,461,225	71,935,841	107,397,066
Statutory deposits with BNM	-	1,610,000	1,610,000
Investment in subsidiaries	-	350,020	350,020
Investment in an associate	-	4,758	4,758
Property, plant and equipment	-	674,137	674,137
Right-of-use assets	401	492,340	492,741
Intangible assets	-	453,174	453,174
Deferred tax assets	-	381,222	381,222
Total assets	54,491,304	100,566,840	155,058,144
Liabilities			
Deposits from customers	114,246,838	357,245	114,604,083
Deposits and placements of banks and other financial institutions	14,632,840	-	14,632,840
Obligations on securities sold under repurchase agreements	1,973,281	-	1,973,281
Bills and acceptances payable	230,992	-	230,992
Other liabilities	2,733,140	1,773,818	4,506,958
Derivative financial liabilities	1,015,555	344,790	1,360,345
Tax payable	37,611	-	37,611
Lease liabilities	412	529,387	529,799
Subordinated bonds/sukuk	-	2,249,352	2,249,352
Total liabilities	134,870,669	5,254,592	140,125,261
Net mismatches	(80,379,365)	95,312,248	14,932,883

43. Offsetting Financial Assets and Financial Liabilities

Financial assets and financial liabilities subject to offsetting, enforceable master netting arrangements and similar agreements are as follows:

Group and Bank	Gross amount of recognised financial assets/ financial liabilities RM'000	Gross amount offset in the statements of financial position RM'000	Amount presented in the statements of financial position RM'000	Not offsettable financial instruments RM'000	Financial collateral received/ pledged RM'000	Net amount subject to netting agreements RM'000
2025						
Financial assets						
Derivative financial assets	2,301,775	-	2,301,775	(273,161)	(751,668)	1,276,946
Financial liabilities						
Derivative financial liabilities	2,576,589	-	2,576,589	(290,505)	(188,730)	2,097,354
2024						
Financial assets						
Derivative financial assets	1,305,213	-	1,305,213	(136,803)	(140,566)	1,027,844
Financial liabilities						
Derivative financial liabilities	1,360,345	-	1,360,345	(91,218)	(329,518)	939,609

The Group and the Bank enter into derivative master netting agreements (such as the International Swaps and Derivatives Association Master Agreement) with counterparties where it is appropriate and practicable to mitigate counterparty credit risk. Such agreements allow the Group and the Bank to settle outstanding derivative contracts' amounts with the counterparty on a net basis in the event of default. These agreements also allow the Group and the Bank to further reduce their credit risk by requiring periodic mark-to-market of outstanding positions and the posting of collateral when pre-established thresholds are exceeded. The counterparty that receives non-cash collateral is typically allowed to sell or re-pledge such collateral in accordance with the terms of these agreements.

44. Segment Information

Operating segments

The following segment information has been prepared in accordance with MFRS 8 *Operating Segments*, which defines the requirements for the disclosure of financial information of an entity's operating segments. It is prepared on the basis of the "management approach", which requires the presentation of segments based on internal reports about the components of the entity which are regularly reviewed by the chief operating decision-maker to allocate resources to segments and assess their performance.

The Group's businesses are organised into the following four segments based on the types of products and services that it provides:

Retail

The Retail segment covers Personal Financial Services and Private Banking. Personal Financial Services serves individual customers, offers a wide range of products and services, including deposits, loans, credit and debit cards, insurance products, and also provides an extended range of financial services, including wealth management to wealthy and affluent customers. Private Banking is an integral part of the Personal Financial Services, dedicated to providing high-net-worth clients with financial and portfolio planning services. It is focused on helping our clients achieve sustainable growth and legacy solutions of their wealth for future generations via bespoke wealth management and credit advisory.

Wholesale Banking (WB)

The WB segment encompasses Commercial Banking, Business Banking, Corporate Banking and Financial Institutions Group (FIG). Commercial Banking serves the medium and large enterprises while Business Banking serves small enterprises. Corporate Banking serves large local corporations, government-linked companies and agencies as well as multinational corporations. FIG serves financial institutions as well as non-bank financial institutions. Commercial Banking, Business Banking, Corporate Banking and FIG provide customers with a broad range of products and services. These include current accounts, deposits, lending, trade finance, structured finance, cash management, foreign exchange, cross-border payments, insurance as well as investment banking services including principal advisor, lead manager and facility agent for the arrangement of both syndicated loans and Private Debt Securities (PDS).

Global Markets (GM)

The GM segment provides a comprehensive range of treasury products and services, including foreign exchange, money market, fixed income, derivatives, commodities, gold products, as well as an array of structured products. It is a player in Malaysian Ringgit treasury instruments in the region. It also engages in proprietary investment activities and management of excess liquidity and capital funds.

Others

Other segments include corporate support functions and divisions not attributable to business segments mentioned above and property-related activities.

44. Segment Information (Continued)

Operating segments (Continued)

Group	Retail RM'000	WB RM'000	GM RM'000	Others RM'000	Total segments RM'000	Eliminations RM'000	Total RM'000
2025							
Operating income	1,855,133	2,252,386	378,605	461,923	4,948,047	(24,575)	4,923,472
Other operating expenses	(1,342,873)	(672,485)	(120,949)	(261,076)	(2,397,383)	49,980	(2,347,403)
(Allowance for)/write-back of ECL	(85,211)	37,183	-	(583)	(48,611)	(77)	(48,688)
Write-back of impairment loss on property, plant and equipment	-	-	-	20,454	20,454	-	20,454
Profit before taxation	427,049	1,617,084	257,656	220,718	2,522,507	25,328	2,547,835
Income tax expense							(606,083)
Profit after taxation							1,941,752
Other information							
Gross loans, advances and financing	62,557,899	49,624,304	-	768,961	112,951,164	(393,235)	112,557,929
Deposits from customers	70,936,704	50,388,035	-	12,323	121,337,062	(28,171)	121,308,891
Inter-segment operating income/(expense)	256,008	(95,205)	(697,234)	561,006	24,575	(24,575)	-
Depreciation of property, plant and equipment and right-of-use assets	54,942	39,462	4,558	124,826	223,788	(41,124)	182,664
2024							
Operating income	1,925,739	2,184,413	364,806	290,249	4,765,207	(56,452)	4,708,755
Other operating expenses	(1,335,764)	(659,674)	(117,061)	(312,840)	(2,425,339)	68,887	(2,356,452)
(Allowance for)/write-back of ECL	(35,195)	(139,898)	16,888	(1,067)	(159,272)	574	(158,698)
Write-back of impairment loss on property, plant and equipment	-	-	-	10,889	10,889	-	10,889
Profit before taxation	554,780	1,384,841	264,633	(12,769)	2,191,485	13,009	2,204,494
Income tax expense							(527,344)
Profit after taxation							1,677,150
Other information							
Gross loans, advances and financing	61,180,680	47,969,557	-	677,446	109,827,683	(299,629)	109,528,054
Deposits from customers	69,322,889	45,263,173	-	29,231	114,615,293	(29,708)	114,585,585
Inter-segment operating income/(expense)	395,503	(13,466)	(710,695)	385,110	56,452	(56,452)	-
Depreciation of property, plant and equipment and right-of-use assets	48,150	32,880	3,951	111,589	196,570	(28,473)	168,097

44. Segment Information (Continued)

Operating segments (Continued)

	Group	
	2025 RM'000	2024 RM'000
Reconciliation of profit before taxation		
Segment profit	2,522,507	2,191,485
Eliminations		
Interest income:		
- Loans, advances and financing	(16,918)	(15,078)
- Money at call and deposits	(354)	(616)
Interest expense:		
- Deposits from customers	17,272	15,694
- Deposits and placement of banks and other financial institutions	311	504
- Lease liabilities	21,196	16,964
- Others	(178)	81
Fee income:		
- Guarantee fees	(7)	(9)
- Commitment fees	(311)	(504)
- Service charges and fees	(869)	(1,965)
Other income:		
- Rental income from operating leases	(43,847)	(38,206)
- Others	(870)	(74)
	(24,575)	(23,209)
(Allowance for)/write-back of ECL	(78)	574
Personal expenses:		
- Other employment benefits	258	249
Establishment expenses:		
- Depreciation of property, plant and equipment	657	658
- Depreciation of right-of-use assets	40,467	27,815
- Repair and maintenance	5,820	2,711
- Short-term lease expenses	444	596
- Others	2,327	3,606
General administrative expenses:		
- Others	8	9
	49,981	35,644
Profit before taxation	2,547,835	2,204,494

45. Capital Management and Capital Adequacy

The Group's and the Bank's capital management objective is to maintain strong capital levels to support our businesses and growth, meet regulatory capital requirements at all times and maintain a good credit rating. We achieve these objectives through the UOBM Group's Internal Capital Adequacy Assessment Process (ICAAP) whereby we actively monitor and manage the Group's capital position over a medium-term horizon involving the setting of capital targets, forecasting capital demand for material risks based on risk appetite and determining the availability and composition of different capital components. The UOBM Group's capital position, capital management plan, contingency capital plan, as well as any capital management actions, are submitted to the Management and/or to the Board for approval.

The capital adequacy ratios of the Group and the Bank are computed in accordance with Bank Negara Malaysia's (BNM) Capital Adequacy Framework (Capital Components) issued on 14 June 2024 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 18 December 2023.

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Common Equity Tier 1 (CET1)/Tier 1 Capital				
Paid-up share capital	792,555	792,555	792,555	792,555
Retained profits	14,407,784	13,902,695	14,523,580	14,055,169
Other reserves	431,627	325,539	152,810	85,159
Regulatory adjustments applied in the calculation of CET1 Capital	(1,158,010)	(1,158,883)	(1,185,986)	(1,293,438)
Total CET1/Tier 1 Capital	14,473,956	13,861,906	14,282,959	13,639,445
Tier 2 Capital				
Tier 2 Capital instruments	2,250,000	2,250,000	2,250,000	2,250,000
Loan/financing loss provision:				
- Surplus eligible provisions over expected losses	405,097	373,130	414,693	374,957
- General provisions	146,056	161,244	135,845	151,748
Regulatory adjustments applied in the calculation of Tier 2 Capital	122,361	105,065	-	-
Total Tier 2 Capital	2,923,514	2,889,439	2,800,538	2,776,705
Total Capital	17,397,470	16,751,345	17,083,497	16,416,150

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

	Group		Bank	
	2025	2024	2025	2024
CET1/Tier 1 Capital	15.488%	16.034%	15.366%	15.863%
Total capital	18.616%	19.376%	18.379%	19.092%
CET1/Tier 1 Capital*	14.722%	14.973%	14.596%	14.796%
Total capital	17.850%	18.315%	17.609%	18.025%

* Net of proposed dividends

45. Capital Management and Capital Adequacy (Continued)

(b) Analysis of gross RWA by risk category is as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total RWA for credit risk	81,750,316	76,643,244	81,310,638	76,188,110
Total RWA for market risk	2,797,468	1,708,989	2,797,468	1,708,989
Total RWA for operational risk	8,907,484	8,102,776	8,843,348	8,087,999
Total RWA	93,455,268	86,455,009	92,951,454	85,985,098

46. Credit Exposure Arising From Credit Transactions with Connected Parties

	Group and Bank	
	2025	2024
Outstanding credit exposures with connected parties (RM'000)	4,222,055	2,566,359
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures (%)	3.738	2.337
Percentage of outstanding credit exposures to connected parties which is impaired or in default (%)	0.0002	0.0008

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

47. Islamic Banking Operations

Statement of financial position

As at 31 December 2025

	Note	2025 RM'000	2024 RM'000
Assets			
Cash and short-term funds	a	4,587,452	3,404,517
Securities purchased under resale agreements		1,167,747	872,506
Debt instruments at FVOCI	b	2,991,230	2,390,860
Debt Instruments at amortised cost	c	-	432,467
Other assets	e	39,454	29,924
Derivative financial assets	f	381,038	97,251
Financing, advances and others	d	8,788,615	8,772,173
Statutory deposits with BNM		23,000	36,500
Plant and equipment		6,272	8,174
Deferred tax assets		9,907	12,877
Total assets		17,994,715	16,057,249
Liabilities and Islamic Banking funds			
Deposits from customers	g	6,393,476	5,945,798
Investment accounts due to a designated financial institution	h	2,818,698	3,234,748
Deposits and placements of other financial institutions	i	6,154,348	5,480,982
Bills and acceptances payable		4,353	3,285
Other liabilities	j	130,423	55,018
Derivative financial liabilities	f	374,684	96,041
Tax payable		35,428	32,061
Subordinated sukuk	k	1,250,000	500,000
Total liabilities		17,161,410	15,347,933
Capital funds		450,000	450,000
Reserves		383,305	259,316
Islamic Banking funds	l	833,305	709,316
Total liabilities and Islamic Banking funds		17,994,715	16,057,249
Commitments and contingencies	t	23,115,187	15,803,684

The accompanying notes form an integral part of the financial statements.

47. Islamic Banking Operations (Continued)

Statement of profit or loss and other comprehensive income

For the financial year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Income derived from investment of depositors' funds	m	520,256	405,783
Income derived from investment of Islamic Banking funds	n	66,493	44,561
Income derived from investment of investment account funds	o	112,189	165,363
(Allowance for)/write-back of ECL on:			
- Financing, advances and others	p	(8,895)	(16,693)
- Other financial assets	p	277	(38)
- Commitments and contingencies	p	302	(3,296)
Total distributable income		690,622	595,680
Profit distributed to depositors and others	q	(385,611)	(287,761)
Profit distributed to investment account holders	r	(99,273)	(132,987)
Total net income		205,738	174,932
Other operating expenses	s	(46,454)	(45,409)
Profit before taxation		159,284	129,523
Income tax expense		(37,653)	(31,339)
Profit after taxation		121,631	98,184
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to statement of profit or loss:			
Net fair value changes in debt instruments at FVOCI		3,102	(813)
Income tax effect		(744)	195
Other comprehensive income/(loss) for the financial year, net of tax		2,358	(618)
Total comprehensive income for the financial year		123,989	97,566

Net income from Islamic Banking operations as reported in the statements of profit or loss of the Group and the Bank is derived as follows:

	2025 RM'000	2024 RM'000
Income derived from investment of depositors' funds	520,256	405,783
Income derived from investment of Islamic Banking funds	66,493	44,561
Income derived from investment of investment account funds	112,189	165,363
Profit distributed to depositors and others	(385,611)	(287,761)
Profit distributed to investment account holders	(99,273)	(132,987)
Net income from Islamic Banking operations reported in the statements of profit or loss of the Group and the Bank	214,054	194,959

The accompanying notes form an integral part of the financial statements.

47. Islamic Banking Operations (Continued)

Statement of changes in Islamic Banking funds

For the financial year ended 31 December 2025

	Capital funds RM'000	FVOCI reserve RM'000	Retained profit RM'000	Total RM'000
2025				
At 1 January	450,000	698	258,618	709,316
Profit for the financial year	-	-	121,631	121,631
Other comprehensive income	-	2,358	-	2,358
Total comprehensive income	-	2,358	121,631	123,989
At 31 December	450,000	3,056	380,249	833,305
2024				
At 1 January	450,000	1,316	160,434	611,750
Profit for the financial year	-	-	98,184	98,184
Other comprehensive loss	-	(618)	-	(618)
Total comprehensive (loss)/income	-	(618)	98,184	97,566
At 31 December	450,000	698	258,618	709,316

47. Islamic Banking Operations (Continued)

Statement of cash flows

For the financial year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Cash flows from operating activities			
Profit before taxation		159,284	129,523
Adjustments for:			
Profit from financial assets at FVTPL	m,n	(724)	(6,611)
Profit from debt instruments at FVOCI	m,n	(68,197)	(57,337)
Profit from debt instruments at amortised cost	m,n	(12,540)	(28,920)
Allowance for/(write-back of) ECL on:			
- Financing, advances and others	p	8,895	16,693
- Other financial assets	p	(277)	38
- Commitments and contingencies	p	(302)	3,296
Depreciation of plant and equipment	s	1,902	1,901
Trading income	m,n	(13,125)	(9,887)
Operating profit before working capital changes		74,916	48,696
Increase in operating assets:			
Securities purchased under resale agreements		(294,517)	(569,411)
Financing, advances and others		(25,337)	191,394
Derivative financial assets		(270,662)	(53,098)
Other assets		(9,508)	464
Statutory deposits with BNM		13,500	18,500
		(586,524)	(412,151)
Increase in operating liabilities:			
Deposits from customers		447,678	795,133
Investment accounts due to designated financial institution		(416,050)	(1,137,432)
Deposits and placements of banks and other financial institutions		673,366	979,333
Derivative financial liabilities		278,643	62,836
Other liabilities		75,707	(10,502)
Bills and acceptances payable		1,068	(2,389)
		1,060,412	686,979
Cash generated from operating activities		548,804	323,524
Tax paid		(32,060)	(27,068)
Net cash generated from operating activities		516,744	296,456

The accompanying notes form an integral part of the financial statements.

47. Islamic Banking Operations (Continued)

Statement of cash flows (Continued)

For the financial year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Cash flows from investing activities			
Purchase of plant and equipment		-	(1)
Purchase of financial assets at FVOCI		(597,287)	(988,750)
Profit from debt instruments at FVOCI		68,197	57,337
Net disposal of debt instruments at amortised cost		445,042	649,044
Net cash used in investing activities		(84,048)	(282,370)
Cash flows from financing activities			
Issuance of subordinated sukuk		750,000	500,000
Net cash generated from financing activities		750,000	500,000
Net increase in cash and cash equivalents		1,182,696	514,086
Cash and cash equivalents at beginning of the financial year		3,404,999	2,890,913
Cash and cash equivalents at end of the financial year before allowance for ECL		4,587,695	3,404,999
Analysis of cash and cash equivalents			
Cash and short-term funds	a	4,587,695	3,404,999
Less: Allowance for ECL	a	(243)	(482)
		4,587,452	3,404,517

The accompanying notes form an integral part of the financial statements.

47. Islamic Banking Operations (Continued)

(a) Cash and short-term funds

	2025 RM'000	2024 RM'000
Cash and balances with banks and other financial institutions	3,307,695	2,472,999
Money at call and deposit placements maturing within one month	1,280,000	932,000
	4,587,695	3,404,999
Less: Allowance for ECL	(243)	(482)
	4,587,452	3,404,517

Movements in the allowance for ECL on cash and short-term funds are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL non credit-impaired RM'000	Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	482	-	-	482
Allowance made	168	-	-	168
Maturity/settlement/repayment	(382)	-	-	(382)
Exchange differences	(25)	-	-	(25)
Net total (Note (p))	(239)	-	-	(239)
At 31 December	243	-	-	243
2024				
At 1 January	422	-	-	422
Allowance made	139	-	-	139
Maturity/settlement/repayment	(61)	-	-	(61)
Exchange differences	(18)	-	-	(18)
Net total (Note (p))	60	-	-	60
At 31 December	482	-	-	482

(b) Debt instruments at fair value through other comprehensive income (FVOCI)

	2025 RM'000	2024 RM'000
Money market instruments		
Government Islamic investments	2,991,230	2,161,028
Negotiable instruments of deposits	-	199,829
	2,991,230	2,360,857
Private debt securities of companies incorporated in Malaysia		
Cagamas sukuk	-	30,003
Total debt instruments at FVOCI	2,991,230	2,390,860

47. Islamic Banking Operations (Continued)

(b) Debt instruments at fair value through other comprehensive income (FVOCI) (Continued)

Movements in the allowance for ECL on debt instruments at FVOCI are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL non credit-impaired RM'000	Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	243	-	-	243
Allowance made	147	-	-	147
Maturity/settlement/repayment	(128)	-	-	(128)
Net total (Note (p))	19	-	-	19
At 31 December	262	-	-	262
2024				
At 1 January	185	-	-	185
Allowance made	230	-	-	230
Maturity/settlement/repayment	(172)	-	-	(172)
Net total (Note (p))	58	-	-	58
At 31 December	243	-	-	243

(c) Debt instruments at amortised cost

	2025 RM'000	2024 RM'000
Money market instruments		
Government Islamic investment	-	401,617
Less: Allowance for ECL	-	(35)
	-	401,582
Private debt securities of companies incorporated in Malaysia		
Unquoted corporate sukuk	-	30,885
Total debt instruments at amortised cost	-	432,467

47. Islamic Banking Operations (Continued)

(c) Debt instruments at amortised cost (Continued)

Movements in the allowance for ECL on debt instruments at amortised cost are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL non credit-impaired RM'000	Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	35	-	-	35
Maturity/settlement/repayment	(35)	-	-	(35)
Net total (Note (p))	(35)	-	-	(35)
At 31 December	-	-	-	-
2024				
At 1 January	145	-	-	145
Maturity/settlement/repayment	(110)	-	-	(110)
Net total (Note (p))	(110)	-	-	(110)
At 31 December	35	-	-	35

(d) Financing, advances and others

(i) Financing by type of Shariah contract:

	Sale based contracts				
	Tawarruq RM'000	Murabahah RM'000	Bai Al-Dayn RM'000	Others RM'000	Total RM'000
2025					
Term financing:					
- Housing financing	4,136,669	-	-	6,725	4,143,394
- Syndicated term financing	779,344	-	-	-	779,344
- Other term financing	2,780,876	-	-	-	2,780,876
Trust receipts	343,467	-	-	-	343,467
Claims on customers under acceptance credits	-	91,844	324	-	92,168
Revolving credits	742,229	-	-	-	742,229
Gross financing, advances and others	8,782,585	91,844	324	6,725	8,881,478
Allowance for ECL on financing, advances and others:					
- Stage 1 - 12-month ECL					(16,549)
- Stage 2 - Lifetime ECL non credit-impaired					(39,952)
- Stage 3 - Lifetime ECL credit-impaired					(36,362)
Net financing, advances and others					8,788,615

47. Islamic Banking Operations (Continued)

(d) Financing, advances and others (Continued)

(i) Financing by type of Shariah contract (Continued):

2024	Sale based contracts				
	Tawarruq RM'000	Murabahah RM'000	Bai Al-Dayn RM'000	Others RM'000	Total RM'000
Term financing:					
- Housing financing	3,899,657	-	-	7,402	3,907,059
- Syndicated term financing	55,495	-	-	-	55,495
- Other term financing	3,566,794	-	-	-	3,566,794
Trust receipts	387,983	-	-	-	387,983
Claims on customers under acceptance credits	-	158,892	786	-	159,678
Revolving credits	810,700	-	-	-	810,700
Gross financing, advances and others	8,720,629	158,892	786	7,402	8,887,709
Allowance for ECL on financing, advances and others:					
- Stage 1 - 12-month ECL					(24,951)
- Stage 2 - Lifetime ECL non credit-impaired					(58,977)
- Stage 3 - Lifetime ECL credit-impaired					(31,608)
Net financing, advances and others					8,772,173

Included in financing and advances are specific business ventures funded by the Restricted Specific Investment Account (RSIA) arrangement between Islamic Banking and Conventional Banking. The Conventional Banking, being the RSIA depositor, is exposed to the risks and rewards of the business ventures and accounts for the ECL allowance arising thereon.

As at 31 December 2025, the gross exposure and ECL relating to RSIA financing amounting to RM1,475,307,560 (2024: RM2,347,357,179) and RM3,023,874 (2024: RM27,853,711), respectively.

(ii) Gross financing, advances and others by remaining contractual maturity are as follows:

	2025 RM'000	2024 RM'000
Maturing within one year	1,304,101	1,792,701
One year to three years	266,085	690,415
Three years to five years	879,062	276,851
Over five years	6,432,230	6,127,742
	8,881,478	8,887,709

47. Islamic Banking Operations (Continued)

(d) Financing, advances and others (Continued)

(iii) Gross financing, advances and others by type of customers are as follows:

	2025 RM'000	2024 RM'000
Domestic non-banking financial institutions	335,506	688,973
Domestic business enterprises:		
- Small and medium enterprises	1,992,722	2,080,455
- Others	2,114,434	1,924,157
Individuals	4,279,888	4,050,177
Foreign entities	158,928	143,947
	8,881,478	8,887,709

(iv) Gross financing, advances and others by profit rate sensitivity are as follows:

	2025 RM'000	2024 RM'000
Fixed rate financing	159,515	160,177
Variable rate:		
- Base rate/base financing rate-plus	5,504,297	5,359,580
- Cost-plus	3,217,666	3,367,952
	8,881,478	8,887,709

(v) Gross financing, advances and others by economic sector are as follows:

	2025 RM'000	2024 RM'000
Agriculture, hunting, forestry and fishing	179,698	283,586
Mining and quarrying	24,498	28,740
Manufacturing	817,767	752,014
Electricity, gas and water	172,934	589,452
Construction	458,595	372,965
Wholesale, retail trade, restaurants and hotels	895,372	1,133,546
Transport, storage and communication	875,881	208,377
Finance, takaful and business services	466,110	658,913
Real estate	518,299	422,619
Community, social and personal services	33,508	243,373
Households:		
- Purchase of residential properties	4,154,534	3,926,042
- Purchase of non-residential properties	220,595	214,570
- Others	63,687	53,512
	8,881,478	8,887,709

47. Islamic Banking Operations (Continued)

(d) Financing, advances and others (Continued)

(vi) Gross financing, advances and others by geographical distribution are as follows:

	2025 RM'000	2024 RM'000
In Malaysia	8,722,550	8,743,762
Outside Malaysia	158,928	143,947
	8,881,478	8,887,709

(vii) Movements in the allowance for ECL on financing, advances and others are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL non credit-impaired RM'000	Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	24,951	58,977	31,608	115,536
Transferred to Stage 1	9,982	(8,529)	(1,453)	-
Transferred to Stage 2	(1,098)	6,523	(5,425)	-
Transferred to Stage 3	(131)	(5,037)	5,168	-
Net remeasurement of allowance	(8,617)	9,475	4,796	5,654
Allowance made	10,349	2,214	13,484	26,047
Maturity/settlement/repayment	(18,820)	(23,602)	(2,539)	(44,961)
Exchange differences	(67)	(69)	-	(136)
Net total (Note (p))	(8,402)	(19,025)	14,031	(13,396)
Amounts written-off	-	-	(9,277)	(9,277)
At 31 December	16,549	39,952	36,362	92,863
2024				
At 1 January	17,656	52,737	52,131	122,524
Transferred to Stage 1	7,052	(4,069)	(2,983)	-
Transferred to Stage 2	(910)	5,198	(4,288)	-
Transferred to Stage 3	(96)	(3,402)	3,498	-
Net remeasurement of allowance	(7,583)	10,168	8,130	10,715
Allowance made	13,231	29,074	8,042	50,347
Maturity/settlement/repayment	(4,385)	(30,729)	(19,796)	(54,910)
Exchange differences	(14)	-	-	(14)
Net total (Note (p))	7,295	6,240	(7,397)	6,138
Amounts written-off	-	-	(13,126)	(13,126)
At 31 December	24,951	58,977	31,608	115,536

47. Islamic Banking Operations (Continued)

(d) Financing, advances and others (Continued)

(viii) Movements in credit-impaired financing, advances and others are as follows:

	2025 RM'000	2024 RM'000
At 1 January	196,735	215,411
Classified as credit-impaired	92,323	78,455
Amount recovered	(28,087)	(35,550)
Reclassified as non credit-impaired	(45,717)	(45,489)
Amount written-off	(9,387)	(16,092)
Gross credit-impaired financing, advances and others	205,867	196,735
Less: Stage 3 - Lifetime ECL credit-impaired	(36,362)	(31,608)
Net credit-impaired financing, advances and others	169,505	165,127
Ratio of net credit-impaired financing, advances and others to gross financing, advances and others less allowance for ECL on credit-impaired provisions	1.9%	1.9%

(ix) Gross credit-impaired financing, advances and others by economic sector are as follows:

	2025 RM'000	2024 RM'000
Manufacturing	4,564	4,173
Construction	33,645	28,670
Wholesale, retail trade, restaurants and hotels	14,900	19,159
Transport, storage and communication	8,002	2,058
Finance, takaful and business services	-	1,476
Community, social and personal services	1,988	1,987
Households:		
- Purchase of residential properties	138,050	133,755
- Purchase of non-residential properties	3,351	4,188
- Others	1,367	1,269
	205,867	196,735

(x) Gross credit-impaired financing, advances and others by geographical distribution are as follows:

	2025 RM'000	2024 RM'000
In Malaysia	200,794	191,595
Outside Malaysia	5,073	5,140
	205,867	196,735

47. Islamic Banking Operations (Continued)

(e) Other assets

	2025 RM'000	2024 RM'000
Other receivables, deposits and prepayments	4,651	3,206
Profit receivable	34,820	26,757
Less: Allowance for ECL	(17)	(39)
	39,454	29,924

Movements in the allowance for ECL on other assets are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL non credit-impaired RM'000	Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	21	18	-	39
Allowance made	6	3	-	9
Maturity/settlement/repayment	(17)	(14)	-	(31)
Net total (Note (p))	(11)	(11)	-	(22)
At 31 December	10	7	-	17
2024				
At 1 January	5	4	-	9
Allowance made	19	16	-	35
Maturity/settlement/repayment	(3)	(2)	-	(5)
Net total (Note (p))	16	14	-	30
At 31 December	21	18	-	39

47. Islamic Banking Operations (Continued)

(f) Financial derivatives

Financial derivatives are instruments whose values change in response to the change in one or more "underlying", such as foreign exchange rates, security prices and credit indeces. They include forwards, swaps, futures, options and credit derivatives. In the normal course of business, the Bank customises derivatives to meet specific needs of its customers. The Bank also transacts in these derivatives for proprietary trading purposes as well as to manage its assets/liabilities and structural positions. While the Bank also enters into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases for customers, these other contracts are not designated as hedge relationships and are measured at fair value through profit or loss.

The fair value of the financial derivatives are as follows:

	Contract or underlying principal amount RM'000	Positive fair value RM'000	Negative fair value RM'000
2025			
Foreign exchange related contracts:			
- Forwards	9,108,406	6,539	368,175
- Swaps	9,460,909	373,512	5,522
Profit rate related contracts:			
- Swaps	73,126	987	987
		381,038	374,684
2024			
Foreign exchange related contracts:			
- Forwards	5,018,816	73,560	17,030
- Swaps	5,665,415	23,449	78,773
- Options	563,292	-	-
Profit rate related contracts:			
- Swaps	990,000	242	238
		97,251	96,041

47. Islamic Banking Operations (Continued)

(g) Deposits from customers

(i) By type of deposits:

	2025 RM'000	2024 RM'000
Non-mudarabah fund		
Demand deposits:		
- Tawarruq	294,550	279,051
- Qard	1,142,683	1,133,230
Savings deposits:		
- Tawarruq	112,028	109,870
- Qard	16,457	17,587
Fixed deposits:		
- Tawarruq	4,063,900	3,918,735
Other deposits:		
- Tawarruq	763,858	487,325
	6,393,476	5,945,798

(ii) The remaining maturity of fixed deposits and other deposits are as follows:

	2025 RM'000	2024 RM'000
Due within six months	3,999,281	3,155,570
Six months to one year	828,477	1,250,490
	4,827,758	4,406,060

(iii) The deposits are sourced from the following type of customers:

	2025 RM'000	2024 RM'000
Business enterprises	1,343,869	1,315,353
Individuals	3,228,085	2,812,555
Foreign entities	415,535	380,483
Others	1,405,987	1,437,407
	6,393,476	5,945,798

(h) Investment accounts due to a designated financial institution

	2025 RM'000	2024 RM'000
Mudarabah RSIA		
Conventional Banking	2,821,722	3,262,602
Amount receivable from Conventional Banking	(3,024)	(27,854)
	2,818,698	3,234,748

47. Islamic Banking Operations (Continued)

(i) Deposits and placements of other financial institutions

	2025 RM'000	2024 RM'000
Non-mudarabah fund		
Other financial institutions	6,154,348	5,480,982

(j) Other liabilities

	2025 RM'000	2024 RM'000
Allowance for ECL on commitments and contingencies	6,781	9,436
Profit payable	73,531	37,499
Accruals and provisions for operational expenses	775	892
Other payables and accruals	47,150	3,219
Deferred income	2,186	3,972
	130,423	55,018

Movements in the allowance for ECL on commitments and contingencies are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL non credit-impaired RM'000	Lifetime ECL credit-impaired RM'000	Total ECL RM'000
2025				
At 1 January	7,357	2,079	-	9,436
Transferred to Stage 1	521	(521)	-	-
Transferred to Stage 2	(19)	19	-	-
Net remeasurement of allowance	(84)	67	-	(17)
Allowance made	4,994	624	-	5,618
Maturity/settlement/repayment	(6,788)	(1,437)	-	(8,225)
Exchange differences	(30)	(1)	-	(31)
Net total (Note (p))	(1,406)	(1,249)	-	(2,655)
At 31 December	5,951	830	-	6,781
2024				
At 1 January	10,608	667	-	11,275
Transferred to Stage 1	45	(45)	-	-
Transferred to Stage 2	(966)	966	-	-
Net remeasurement of allowance	(16)	317	-	301
Allowance made	2,805	583	-	3,388
Maturity/settlement/repayment	(5,116)	(403)	-	(5,519)
Exchange differences	(3)	(6)	-	(9)
Net total (Note (p))	(3,251)	1,412	-	(1,839)
At 31 December	7,357	2,079	-	9,436

47. Islamic Banking Operations (Continued)

(k) Subordinated sukuk

	2025 RM'000	2024 RM'000
RM500.0 million Islamic subordinated Sukuk 2024/2034 (i)	500,000	500,000
RM750.0 million Islamic subordinated Sukuk 2025/2037 (ii)	750,000	-
	1,250,000	500,000

(i) On 8 February 2024, the Bank issued RM500.0 million Basel III compliant Tier 2 subordinated Islamic Medium Term Notes (10 years maturity, non-callable 5 years) (the Sukuk 1).

The Sukuk 1 bears profit at the rate of 4.01% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated sukuk.

The Sukuk 1 may be redeemed at par at the option of the Bank, in part or in whole, on 8 February 2029 or at any profit payment date thereafter.

The profit is payable semi-annually in arrears on 8 August and 8 February each year commencing 8 August 2024.

The Sukuk 1 has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

(ii) On 3 July 2025, the Bank issued RM750.0 million Basel III compliant Tier 2 subordinated Islamic Medium Term Notes (12 years maturity, non-callable 7 years) (the Sukuk 2).

The Sukuk 2 bears profit at the rate of 3.85% per annum. The coupon rate herein is applicable throughout the tenure of the subordinated sukuk.

The Sukuk 2 may be redeemed at par at the option of the Bank, in part or in whole, on 2 July 2032 or at any profit payment date thereafter.

The profit is payable semi-annually in arrears on 3 January and 3 July each year commencing 3 January 2026.

The Sukuk 2 has been rated AA1 by Rating Agency Malaysia Bhd and it qualifies as Tier 2 capital for the purpose of determining the Bank's capital adequacy ratio.

(l) Islamic Banking funds

	2025 RM'000	2024 RM'000
Capital funds	450,000	450,000
FVOCI reserve	3,056	698
Retained profits	380,249	258,618
	833,305	709,316

47. Islamic Banking Operations (Continued)

(m) Income derived from investment of depositors' funds

	2025 RM'000	2024 RM'000
Finance income and hibah		
Financing, advances and others	277,267	274,006
Credit-impaired financing, advances and others	11,634	7,313
Money at call and deposit placements with financial institutions	106,458	12,095
Financial assets at FVTPL	690	5,948
Debt instruments at FVOCI	60,414	51,668
Debt instruments at amortised cost	11,128	26,076
	467,591	377,106
Amortisation of premiums, net	(9,382)	(4,867)
Total finance income and hibah	458,209	372,239
Other operating income		
Trading income	11,631	8,912
Commission income	14,889	12,052
Fee income	35,361	12,449
Others	166	131
Total other operating income	62,047	33,544
Total	520,256	405,783

(n) Income derived from investment of Islamic Banking funds

	2025 RM'000	2024 RM'000
Finance income and hibah		
Financing, advances and others	35,467	30,060
Credit-impaired financing, advances and others	1,501	803
Money at call and deposit placements with financial institutions	13,606	1,363
Financial assets at FVTPL	34	663
Debt instruments at FVOCI	7,783	5,669
Debt instruments at amortised cost	1,412	2,844
	59,803	41,402
Amortisation of premiums, net	(1,209)	(526)
Total finance income and hibah	58,594	40,876
Other operating income		
Trading income	1,494	975
Commission income	1,905	1,327
Fee income	4,478	1,369
Others	22	14
Total other operating income	7,899	3,685
Total	66,493	44,561

47. Islamic Banking Operations (Continued)

(o) Income derived from investment of investment account funds

	2025 RM'000	2024 RM'000
Finance income and hibah		
Financing, advances and others	91,901	122,554
Money at call and deposit placements with financial institutions	20,288	40,709
	112,189	163,263
Other operating income		
Fee income	-	2,100
Total	112,189	165,363

(p) Allowance for/(write-back of) ECL

	2025 RM'000	2024 RM'000
Financing, advances and others (Note d (vii)):		
- Stage 1 - 12-month ECL	(8,402)	7,295
- Stage 2 - Lifetime ECL non credit-impaired	(19,025)	6,240
- Stage 3 - Lifetime ECL credit-impaired	14,031	(7,397)
Movement in ECL for RSIA holder*	22,477	7,146
	9,081	13,284
Credit-impaired financing, advances and others:		
- Written-off	769	3,786
- Recovered	(955)	(377)
	8,895	16,693
Other financial assets:		
- Stage 1 - 12-month ECL	(266)	24
- Stage 2 - Lifetime ECL non credit-impaired	(11)	14
	(277)	38
Commitments and contingencies (Note j):		
- Stage 1 - 12-month ECL	(1,406)	(3,251)
- Stage 2 - Lifetime ECL non credit-impaired	(1,249)	1,412
Movement in ECL for RSIA holder*	2,353	5,135
	(302)	3,296
Total	8,316	20,027

* The RSIA holder is the Conventional Banking (Note d(i))

47. Islamic Banking Operations (Continued)

(q) Profit distributed to depositors and others

	2025 RM'000	2024 RM'000
Profit distributed to depositors from non-mudarabah fund	351,163	269,743
Subordinated sukuk	34,448	18,018
	385,611	287,761

(r) Profit distributed to investment account holders

	2025 RM'000	2024 RM'000
Profit distributed to investment account holders from mudarabah fund	99,273	132,987

(s) Other operating expenses

	2025 RM'000	2024 RM'000
Personnel expenses	4,344	4,371
Establishment expenses	6,252	5,173
Marketing expenses	182	131
General administrative expenses	35,676	35,734
	46,454	45,409
Personnel expenses:		
- Wages, salaries and bonus	3,362	3,343
- Defined contribution plan	544	577
- Other employee benefits	438	451
	4,344	4,371
Establishment expenses:		
- Depreciation of plant and equipment	1,902	1,901
- Information technology costs	2,274	1,577
- Repair and maintenance	55	65
- Short-term lease expenses	131	96
- Others	1,890	1,534
	6,252	5,173
Marketing expenses:		
- Advertisement and publicity	182	131
General administrative expenses:		
- Fees and commissions paid	1,170	1,381
- Management fee	33,901	33,953
- Others	605	400
	35,676	35,734

47. Islamic Banking Operations (Continued)

(s) Other operating expenses (Continued)

Included in other operating expenses is the Shariah Committee's remuneration. The total remuneration of the Shariah Committee members is as follows:

	2025 RM'000	2024 RM'000
Dr. Zaharuddin Bin Abdul Rahman (retired on 15 November 2024)	-	80
Dr. Samsuri bin Sharif (retired on 6 February 2025)	7	74
Datin Dr. Wan Marhaini Binti Wan Ahmad	74	74
Prof. Dr. Noraini Binti Mohd Ariffin	74	74
Muhammad Pisol Bin Mohd @ Mat Isa	92	75
	247	377

(t) Commitments and contingencies

The off-balance sheet exposures and their related counterparty credit risks are as follows:

2025	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	473,607	473,607	240,013
Transaction-related contingent items	255,767	127,972	103,820
Short-term self-liquidating trade-related contingencies	1,343	627	255
Foreign exchange related contracts:			
- Not more than one year	18,569,315	160,787	37,809
Profit rate related contracts:			
- Not more than one year	73,126	577	246
Undrawn credit facilities:			
- Not more than one year	1,165,340	17,002	3,898
- More than one year	1,180,852	840,767	629,224
- Unconditionally cancellable	1,395,837	-	-
Total	23,115,187	1,621,339	1,015,265

47. Islamic Banking Operations (Continued)

(t) Commitments and contingencies (Continued)

The off-balance sheet exposures and their related counterparty credit risks are as follows (Continued):

2024	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	179,009	179,009	285,556
Transaction-related contingent items	214,053	107,029	171,575
Short-term self-liquidating trade-related contingencies	4,449	889	836
Foreign exchange related contracts:			
- Not more than one year	11,225,747	172,498	37,468
- More than one year to less than five years	21,776	741	86
Profit rate related contracts:			
- Not more than one year	890,000	663	96
- More than one year to less than five years	100,000	1,000	463
Undrawn credit facilities:			
- Not more than one year	1,181,312	13,522	4,267
- More than one year	730,082	527,023	336,085
- Unconditionally cancellable	1,257,256	-	-
Total	15,803,684	1,002,374	836,432

(u) Capital management and capital adequacy

The capital adequacy ratios of the Islamic Banking window are computed in accordance with the BNM's Capital Adequacy Framework (Capital Components) for Islamic Banking issued on 14 June 2024 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) for Islamic Banking issued on 18 December 2023.

	2025 RM'000	2024 RM'000
Common Equity Tier 1 (CET1)/Tier 1 Capital		
Capital funds	450,000	450,000
Retained profits	380,249	258,618
Other reserves	3,056	698
Regulatory adjustments applied in the calculation of CET1 Capital	(16,783)	(21,542)
Total CET1/Tier 1 Capital	816,522	687,774
Tier 2 Capital		
Tier 2 Capital instruments	1,250,000	500,000
Financing loss provision:		
- General provisions	876	994
Total Tier 2 Capital	1,250,876	500,994
Total Capital	2,067,398	1,188,768

47. Islamic Banking Operations (Continued)

(u) Capital management and capital adequacy (Continued)

(i) The capital adequacy ratios are as follows:

	2025	2024
Before the effects of RSIA		
CET1/Tier 1 Capital	12.868%	11.138%
Total Capital	32.575%	19.247%
After the effects of RSIA		
CET1/Tier 1 Capital	16.264%	14.876%
Total Capital	41.179%	25.712%

In accordance with BNM's Guidelines on the Investment Account, the credit and market risk weighted assets funded by the RSIA which qualify as risk absorbent are excluded from the calculation of capital adequacy ratio. As at 31 December 2025, credit risks related to RSIA assets excluded from the total capital ratio calculation amounting to RM1,326,326,251 (2024: RM1,555,476,008).

(ii) Analysis of gross RWA by risk category is as follows:

	2025 RM'000	2024 RM'000
Total RWA for credit risk	4,715,984	4,299,340
Total RWA for market risk	13,876	7,013
Total RWA for operational risk	290,677	317,084
Total RWA	5,020,537	4,623,437

47. Islamic Banking Operations (Continued)

(v) Credit exposure arising from credit transactions with connected parties

	2025	2024
Outstanding credit exposures with connected parties (RM'000)	122,821	8,362
Percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures (%)	1.383	0.094
Percentage of outstanding credit exposures to connected parties that are impaired or in default (%)	0.0027	0.0026

The credit exposures above are derived based on BNM's revised guidelines on Credit Transactions and Exposures with Connected Parties for Islamic Banks issued on 16 July 2014.

(w) Mudarabah RSIA

(i) Movements in the Mudarabah RSIA

	2025 RM'000	2024 RM'000
As at 1 January	3,234,748	4,372,180
Funding inflows/(outflows)		
New placement during the year	878,863	218,564
Profit to fund provider	(79,418)	(106,390)
Income from investment	99,273	132,987
Redemption during the year	(1,319,743)	(1,368,277)
Share of profit		
Profit distributed to mudarib	(19,855)	(26,597)
Amount due from Conventional Banking	24,830	12,281
As at 31 December	2,818,698	3,234,748
Investment assets		
Financing and advances	1,475,308	2,347,357
Interbank placement	1,343,390	887,391
	2,818,698	3,234,748

(ii) Profit sharing ratio and rate of return

	Average profit sharing ratio (Depositor: Islamic Banking operations)		Average rate of return (%)	
	2025	2024	2025	2024
Up to 1 year	80:20	80:20	3.34	3.76
Over 5 years	80:20	80:20	3.89	4.12

47. Islamic Banking Operations (Continued)

(x) Profit rate risk

The Islamic Banking window is exposed to various risks associated with the effects of fluctuations in the prevailing level of market profit rates on the financial position and cash flows. The following tables summarise the exposures to profit rate risk. The financial assets and financial liabilities at carrying amounts are categorised by the earlier of the next contractual repricing and maturity dates.

	Non-trading book							
2025	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000
Assets								
Cash and short-term funds	4,587,695	-	-	-	-	(243)	-	4,587,452
Securities purchased under resale agreements	1,127,477	-	40,270	-	-	-	-	1,167,747
Debt instruments at FVOCI	300,644	-	302,636	1,726,319	661,893	(262)	-	2,991,230
Other assets	-	-	-	-	-	39,454	-	39,454
Derivative financial assets	-	-	-	-	-	-	381,038	381,038
Financing, advances and others	8,799,749	14,296	-	63,333	4,100	(92,863)	-	8,788,615
Statutory deposits with BNM	-	-	-	-	-	23,000	-	23,000
Total assets	14,815,565	14,296	342,906	1,789,652	665,993	(30,914)	381,038	17,978,536
Liabilities								
Deposits from customers	3,977,554	1,587,445	828,477	-	-	-	-	6,393,476
Investment accounts due to a designated financial institution	-	621,462	1,226,016	971,220	-	-	-	2,818,698
Deposits and placements of banks and other financial institutions	6,154,348	-	-	-	-	-	-	6,154,348
Bills and acceptances payable	-	-	-	-	-	4,353	-	4,353
Other liabilities	-	-	-	-	-	130,423	-	130,423
Derivative financial liabilities	-	-	-	-	-	-	374,684	374,684
Subordinated sukuk	-	-	-	-	1,250,000	-	-	1,250,000
Total liabilities	10,131,902	2,208,907	2,054,493	971,220	1,250,000	134,776	374,684	17,125,982
Total profit sensitivity gap	4,683,663	(2,194,611)	(1,711,587)	818,432	(584,007)	(165,690)	6,354	852,554

47. Islamic Banking Operations (Continued)

(x) Profit rate risk (Continued)

	Non-trading book							
2024	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	Non-profit sensitive RM'000	Trading book RM'000	Total RM'000
Assets								
Cash and short-term funds	3,404,999	-	-	-	-	(482)	-	3,404,517
Securities purchased under resale agreements	519,067	97,191	256,248	-	-	-	-	872,506
Debt instruments at FVOCI	229,886	-	311,694	656,041	1,193,482	(243)	-	2,390,860
Debt instruments at amortised cost	-	13,577	418,925	-	-	(35)	-	432,467
Other assets	-	-	-	-	-	29,924	-	29,924
Derivative financial assets	-	-	-	-	-	-	97,251	97,251
Financing, advances and others	8,871,388	15,582	-	29	710	(115,536)	-	8,772,173
Statutory deposits with BNM	-	-	-	-	-	36,500	-	36,500
Total assets	13,025,340	126,350	986,867	656,070	1,194,192	(49,872)	97,251	16,036,198
Liabilities								
Deposits from customers	3,920,882	774,426	1,250,490	-	-	-	-	5,945,798
Investment accounts due to a designated financial institution	43,189	1,126,570	907,741	992,420	164,828	-	-	3,234,748
Deposits and placements of banks and other financial institutions	5,228,267	252,715	-	-	-	-	-	5,480,982
Bills and acceptances payable	-	-	-	-	-	3,285	-	3,285
Other liabilities	-	-	-	-	-	55,018	-	55,018
Derivative financial liabilities	-	-	-	-	-	-	96,041	96,041
Subordinated sukuk	-	-	-	-	500,000	-	-	500,000
Total liabilities	9,192,338	2,153,711	2,158,231	992,420	664,828	58,303	96,041	15,315,872
Total profit sensitivity gap	3,833,002	(2,027,361)	(1,171,364)	(336,350)	529,364	(108,175)	1,210	720,326

47. Islamic Banking Operations (Continued)

(y) Liquidity risk

The following table shows the contractual undiscounted cash flows of the Islamic Banking window's assets and liabilities based on remaining contractual maturities. The contractual maturity profile often does not reflect the actual behavioural patterns.

2025	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Assets							
Cash and short-term funds	4,575,953	-	-	-	-	11,692	4,587,645
Securities purchased under resale agreements	1,131,095	-	41,417	-	-	5,679	1,178,191
Debt instruments at FVOCI	331,496	26,135	352,125	1,951,398	677,641	61,230	3,400,025
Derivative financial assets	-	-	-	-	-	381,038	381,038
Financing, advances and others	3,543,256	587,423	956,364	2,729,240	4,822,976	(99,595)	12,539,664
Statutory deposits with BNM	-	-	-	-	23,000	-	23,000
	9,581,800	613,558	1,349,906	4,680,638	5,523,617	360,044	22,109,563
Liabilities							
Deposits from customers	4,543,269	1,095,851	853,330	2	205	-	6,492,657
Investment accounts due to a designated financial institution	-	-	1,911,503	1,004,465	-	(3,024)	2,912,944
Deposits and placements of banks and other financial institutions	6,172,178	-	-	-	-	-	6,172,178
Bills and acceptances payable	-	-	-	-	-	4,353	4,353
Derivative financial liabilities	-	-	-	-	-	374,684	374,684
Tax payable	-	-	-	-	-	35,428	35,428
Subordinated sukuk	24,395	-	24,395	665,652	807,592	-	1,522,034
	10,739,842	1,095,851	2,789,228	1,670,119	807,797	411,441	17,514,278
Net maturity mismatches	(1,158,042)	(482,293)	(1,439,322)	3,010,519	4,715,820	(51,397)	
Off-balance sheet liabilities							
Commitments and contingencies	1,531,915	-	-	-	-	-	1,531,915
Derivatives	(2,294)	(3,365)	(400)	-	-	-	(6,059)
Net maturity mismatches	1,529,621	(3,365)	(400)	-	-	-	1,525,856

47. Islamic Banking Operations (Continued)

(y) Liquidity risk (Continued)

2024	Up to 3 months RM'000	3 to 6 months RM'000	6 to 12 months RM'000	1 to 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
Assets							
Cash and short-term funds	3,403,571	-	-	-	-	1,099	3,404,670
Securities purchased under resale agreements	521,185	98,091	266,491	-	-	6,954	892,721
Debt instruments at FVOCI	232,880	40,496	352,883	862,471	1,318,051	30,860	2,837,641
Debt instruments at amortised cost	8,810	14,002	424,967	-	-	639	448,418
Derivative financial assets	-	-	-	-	-	97,251	97,251
Financing, advances and others	3,066,157	1,085,559	319,356	2,585,711	5,919,390	(124,494)	12,851,679
Statutory deposits with BNM	-	-	-	-	36,500	-	36,500
	7,232,603	1,238,148	1,363,697	3,448,182	7,273,941	12,309	20,568,880
Liabilities							
Deposits from customers	3,986,109	790,681	1,288,326	-	343	-	6,065,459
Investment accounts due to a designated financial institution	4,150	208,880	2,023,848	946,354	202,744	(27,854)	3,358,122
Deposits and placements of banks and other financial institutions	5,142,125	100,000	252,715	-	-	-	5,494,840
Bills and acceptances payable	-	-	-	-	-	3,285	3,285
Derivative financial liabilities	-	-	-	-	-	96,041	96,041
Tax payable	-	-	-	-	-	32,061	32,061
Subordinated sukuk	9,997	-	9,998	570,148	-	-	590,143
	9,142,381	1,099,561	3,574,887	1,516,502	203,087	103,533	15,639,951
Net maturity mismatches	(1,909,778)	138,587	(2,211,190)	1,931,680	7,070,854	(91,224)	
Off-balance sheet liabilities							
Commitments and contingencies	1,075,626	-	-	-	49,996	-	1,125,622
Derivatives	(195)	(132)	(884)	(4)	-	-	(1,215)
Net maturity mismatches	1,075,431	(132)	(884)	(4)	49,996	-	1,124,407

47. Islamic Banking Operations (Continued)

(z) Shariah non-compliant event

During the financial year, one (1) Shariah non-compliant (SNC) event was confirmed, with SNC income amounting to RM1,146.60 arising from late payment charges (ta'widh) imposed on customers. The rectification measures in relation to this SNC event have been completed. The SNC income has been fully refunded to customers or set off against the outstanding financing amount for non performing financing, as applicable. In addition, the correct reference rate for the ta'widh calculation has also been implemented.

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