

INTERIM FINANCIAL STATEMENTS

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2026**

| | Note | Group | | Bank |
|---|------|-------------------------------------|-------------------------------------|-------------------------------|
| | | 31 March 2026 RM'000 | 31 March 2026 RM'000 | 31 December 2025 RM'000 |
| ASSETS | | | | |
| Cash and short-term funds | | 4,645,479 | 4,645,479 | 4,354,394 |
| Deposits and placements with banks and other financial institutions | | 2,956,362 | 2,956,362 | 2,378,862 |
| Derivative financial assets | | 62,737 | 62,737 | 75,738 |
| Debt instruments at fair value through other comprehensive income ("FVOCI") | 10 | 2,987,511 | 2,987,511 | 3,118,774 |
| Equity instruments at FVOCI | 11 | 14,145 | 14,145 | 14,145 |
| Debt instruments at amortised cost | 12 | 70,805 | 70,805 | 70,169 |
| Loans and advances | 13 | 11,862,343 | 11,862,343 | 11,467,972 |
| Other assets | 14 | 81,646 | 81,646 | 86,841 |
| Right-of-use assets | | 35,525 | 35,525 | 37,355 |
| Deferred tax assets | | 26,091 | 26,091 | 19,975 |
| Statutory deposits with Bank Negara Malaysia | | 70,000 | 70,000 | 65,000 |
| Investment in subsidiaries | 15 | - | * | - |
| Property and equipment | | 40,484 | 40,484 | 40,875 |
| Intangible assets | | 1,008 | 1,008 | 1,138 |
| TOTAL ASSETS | | 22,854,136 | 22,854,136 | 21,731,238 |
| LIABILITIES AND EQUITY | | | | |
| Deposits from customers | 16 | 13,113,674 | 13,113,674 | 12,545,357 |
| Deposits and placements of banks and other financial institutions | 17 | 5,339,564 | 5,339,564 | 4,493,955 |
| Derivative financial liabilities | | 63,492 | 63,492 | 75,084 |
| Other liabilities | 18 | 464,602 | 464,602 | 630,316 |
| Other borrowing | 19 | - | - | 175,120 |
| Provision for taxation | | 10,242 | 10,242 | 641 |
| Subordinated loan | 20 | 1,268,820 | 1,268,820 | 1,273,508 |
| TOTAL LIABILITIES | | 20,260,394 | 20,260,394 | 19,193,981 |
| Share capital | | 814,734 | 814,734 | 814,734 |
| Reserves | | 1,779,008 | 1,779,008 | 1,722,523 |
| TOTAL EQUITY | | 2,593,742 | 2,593,742 | 2,537,257 |
| TOTAL LIABILITIES AND EQUITY | | 22,854,136 | 22,854,136 | 21,731,238 |
| COMMITMENTS AND CONTINGENCIES | 27 | 17,655,777 | 17,655,777 | 16,739,908 |

* Denotes RM 2.

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025.

INTERIM FINANCIAL STATEMENTS

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

| | Note | Three Months Ended | |
|---|------|----------------------------|----------------------------|
| | | Group and Bank | Bank |
| | | 31 March 2026 RM'000 | 31 March 2025 RM'000 |
| Interest income | 21 | 184,946 | 198,189 |
| Interest expense | 22 | (96,108) | (112,531) |
| Net interest income | | 88,838 | 85,658 |
| Other operating income | 23 | 41,862 | 32,726 |
| Other operating expenses | 24 | (42,244) | (40,857) |
| Operating profit before expected credit losses ("ECL") | | 88,456 | 77,527 |
| Reversal of ECL/(ECL charge) for loans, advances and other financial assets | 25 | 2,925 | (2,523) |
| Profit before taxation | | 91,381 | 75,004 |
| Taxation | | (22,166) | (18,414) |
| Net profit for the financial period | | 69,215 | 56,590 |
| Other comprehensive income: | | | |
| <i>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</i> | | | |
| - Net fair value changes in debt instrument at FVOCI, net of tax | | (12,727) | 5,421 |
| - Net changes in ECL in debt instruments at FVOCI | | (18) | 54 |
| - Net gain on foreign exchange translation | | 15 | - |
| Other comprehensive (expense)/income, net of tax | | (12,730) | 5,475 |
| Total comprehensive income for the period, net of tax | | 56,485 | 62,065 |
| Earnings per share | | | |
| - Basic/fully diluted (sen) | | 8.50 | 6.95 |

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025.

Registration No.: 200001008645 (511251-V)
BANK OF CHINA (MALAYSIA) BERHAD
(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

| | ← Non-distributable | | | → Distributable | | |
|---|---------------------|--------------------------------|---|-----------------------|---------------------|------------------|
| | Fair value | | | | | |
| | Share capital | Foreign exchange reserve | through other comprehensive reserve | Regulatory reserve | Retained profits | Total |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Group and Bank | | | | | | |
| As at 1 January 2026 | 814,734 | 3 | 38,665 | 110,000 | 1,573,855 | 2,537,257 |
| Profit for the financial period | - | - | - | - | 69,215 | 69,215 |
| Other comprehensive income/(expense), net of tax | - | 15 | (12,745) | - | - | (12,730) |
| Total comprehensive income/(expense) for the financial period, net of tax | - | 15 | (12,745) | - | 69,215 | 56,485 |
| As at 31 March 2026 | 814,734 | 18 | 25,920 | 110,000 | 1,643,070 | 2,593,742 |
| Bank | | | | | | |
| As at 1 January 2025 | 760,518 | - | 10,164 | 55,000 | 1,403,206 | 2,228,888 |
| Profit for the financial year | - | - | - | - | 225,649 | 225,649 |
| Other comprehensive income, net of tax | - | 3 | 28,501 | - | - | 28,504 |
| Total comprehensive income for the financial year, net of tax | - | 3 | 28,501 | - | 225,649 | 254,153 |
| Issue of share capital | 54,216 | - | - | - | - | 54,216 |
| Transfer from retained profits to regulatory reserve | - | - | - | 55,000 | (55,000) | - |
| As at 31 December 2025 | 814,734 | 3 | 38,665 | 110,000 | 1,573,855 | 2,537,257 |

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025.

INTERIM FINANCIAL STATEMENTS

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

| | Group | | Bank |
|--|-------------------------|-------------------------|-------------------------|
| | 31 March | 31 March | 31 March |
| | <u>2026</u> | <u>2026</u> | <u>2025</u> |
| | RM'000 | RM'000 | RM'000 |
| Profit before taxation | 91,381 | 91,381 | 75,004 |
| Adjustments for non cash items | 2,369 | 2,369 | 2,552 |
| Operating profit before changes in working capital | <u>93,750</u> | <u>93,750</u> | <u>77,556</u> |
| Changes in working capital: | | | |
| Net changes in operating assets | (982,500) | (982,500) | (524,609) |
| Net changes in operating liabilities | 1,232,890 | 1,232,890 | 1,707,717 |
| Taxes paid | (14,663) | (14,663) | (14,450) |
| Net cash generated from operating activities | <u>329,477</u> | <u>329,477</u> | <u>1,246,214</u> |
| Net cash generated from/(used in) investing activities | 154,975 | 154,975 * | (34,369) |
| Net cash (used in)/generated from financing activities | <u>(193,367)</u> | <u>(193,367)</u> | <u>205,568</u> |
| Net increase in cash and cash equivalents during the financial period | 291,085 | 291,085 | 1,417,413 |
| Cash and cash equivalents at beginning of the financial period | 4,354,394 | 4,354,394 | 3,331,258 |
| Cash and cash equivalents at end of the financial period | <u>4,645,479</u> | <u>4,645,479</u> | <u>4,748,671</u> |

* The increase in investment in subsidiaries RM 2 is included in net cash generated from investing activities and disclosed in Notes 15 and 31.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

1 Performance Review

The Bank's operating income grew by 10.40% or RM12.32 million to RM 130.70 million compared to the corresponding period. This was due to an increase in other operating income of RM9.14 million. Profit after tax increased by 22.31% or RM12.63 million to RM69.22 million compared to the corresponding period, mainly due to a write back for expected credit losses on loans and advances.

Total assets increased by 5.17% or RM1.12 billion to RM22.85 billion compared to 31 December 2025, mainly due to increase in loans and advances and deposits and placements with banks and other financial institutions. Total liabilities increased by 5.56% or RM1.07 billion to RM20.26 billion compared to 31 December 2025, largely due to an increase in customer deposits and deposits and placements of banks and other financial institutions.

2 Economic Outlook

The Middle East military conflict-induced soaring oil prices and supply chain disruptions have clouded the global economy in 2026. The International Monetary Fund ("IMF") has downgraded its outlook for the global economy due to the oil-price shock. It lowered global economic growth estimate by 0.2 percentage points to 3.1% in 2026 (3.4% in 2025).

The US GDP growth grew 2.1% in 2025 amid a drag from federal government shutdown in Q4. As the oil shock comes at a time of weakening labour market and still high inflation, there remains downside risk to the US economy. The US Federal Reserve has kept the short-term interest rate unchanged at between 3.5% and 3.75% for the second consecutive time after March 2026 meeting, while keeping a close tab on the scope and duration of the potential effects of the soaring energy prices on inflation outlook and economy.

The China economy printed an annual GDP growth of 5% in 2025, meeting the 14th Five-Year Plan's target. The 15th Five-Year Plan starting in 2026 is promoting high-quality and sustainable development, driven by technology, green development and digitalization. Beijing authorities have set target GDP growth of 4.5% to 5% in 2026 amid the on-going geopolitical development, weakening global growth, and the potential of inflation risk and uncertainty in global monetary policy path.

The Malaysian economy demonstrated resilience to grow by 5.2% in 2025 amid the weaker external environment. Bank Negara Malaysia ("BNM") estimates GDP growth between 4.0% and 5.0% 2026, largely supported by domestic demand. There remains downside risk to the growth outlook given the intense military conflict in the Middle East, which caused substantial volatility in the energy market, and its negative spillover on domestic economy. These could exert upward pressure on inflation, dampen consumer spending and business investment prospects. BNM is expected to adopt a cautious, wait-and-see approach, keeping the overnight policy rate ("OPR") unchanged at 2.75% as of March 2026 as it assesses the evolving impact of the Iran war.

Against the backdrop of the geopolitical tensions, the Bank maintains a focus on long-term strategies in responding to global economic uncertainties and capitalising on its strength to finance new business opportunities, making the Bank the "preferred bank for China-related business". The Bank continues to play a pivotal role in providing cross-border Renminbi ("RMB") services and integrated financial solutions, leveraging as the RMB clearing bank in Malaysia.

3 Group Accounting Policies

The unaudited condensed consolidated interim financial statements for the financial period ended 31 March 2026 have been prepared in accordance with MFRS134 Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB"). The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025.

The accounting policies adopted by the Bank for the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2025.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

4 Audit Report

The audit report for the financial year ended 31 December 2025 was not qualified.

5 Seasonal or Cyclical Factors

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

6 Exceptional or Extraordinary Items

There were no exceptional or extraordinary items in the financial period ended 31 March 2026.

7 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the financial period ended 31 March 2026.

8 Changes in Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period under review.

9 Dividend Paid

No dividend was paid during the financial period ended 31 March 2026.

10 Debt Instruments at Fair Value Through Other Comprehensive Income ("FVOCI")

| | <u>Group and Bank</u> | <u>Bank</u> |
|--|-----------------------|------------------|
| | <u>31 March</u> | 31 December |
| | <u>2026</u> | <u>2025</u> |
| | <u>RM'000</u> | <u>RM'000</u> |
| Money market instrument: | | |
| Malaysian Government Securities ("MGS") | 1,191,136 | 1,198,885 |
| Malaysian Government Investment Issue ("MGII") quoted securities | 1,449,331 | 1,575,822 |
| Unquoted securities: | | |
| Corporate bond | 229,471 | 227,915 |
| Foreign bond | 117,573 | 116,152 |
| | <u>2,987,511</u> | <u>3,118,774</u> |
| <u>Movements in ECL on corporate bond</u> | | |
| | <u>Group and Bank</u> | <u>Bank</u> |
| | <u>31 March</u> | 31 December |
| | <u>2026</u> | <u>2025</u> |
| | <u>RM'000</u> | <u>RM'000</u> |
| Stage 1 (12-month ECL): | | |
| As at 1 January 2026/1 January 2025 | 570 | 278 |
| ECL made during the financial period/year (Note 25) | (17) | 292 |
| As at 31 March 2026/31 December 2025 | <u>553</u> | <u>570</u> |

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

11 Equity Instruments at FVOCI

| | Group and Bank | Bank |
|--|-----------------------|--------------------|
| | 31 March | 31 December |
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| At fair value: | | |
| Unquoted securities in Malaysia | | |
| of which: | | |
| - Cagamas Holdings Berhad | 10,794 | 10,794 |
| - Credit Guarantee Corporation ("CGC") | 3,351 | 3,351 |
| | 14,145 | 14,145 |

12 Debt Instruments at Amortised Cost

| | Group and Bank | Bank |
|-------------------------|-----------------------|--------------------|
| | 31 March | 31 December |
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| At amortised cost: | | |
| Unquoted corporate bond | 70,805 | 70,169 |

13 Loans and Advances

(i) By type

| | Group and Bank | Bank |
|--|-----------------------|--------------------|
| | 31 March | 31 December |
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| At amortised cost | | |
| Overdrafts | 181,318 | 164,906 |
| Terms loans | | |
| - Housing loans | 1,226,680 | 1,216,924 |
| - Syndicated term loans | 3,753,764 | 3,684,261 |
| - Other term loans | 1,796,536 | 1,831,081 |
| Bills receivables | 957,211 | 749,728 |
| Trust receipts | - | 61 |
| Claims on customers under acceptance credits | 566,362 | 626,633 |
| Revolving credits | 3,605,879 | 3,420,812 |
| Staff loans | 424 | 438 |
| Gross loans and advances | 12,088,174 | 11,694,844 |
| Less: Allowance for ECL | (225,831) | (226,872) |
| Total net loans and advances | 11,862,343 | 11,467,972 |

(ii) By geographical distribution

| | Group and Bank | Bank |
|--------------------------|-----------------------|--------------------|
| | 31 March | 31 December |
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| At | | |
| Malaysia | 8,942,849 | 8,368,732 |
| Other countries | 3,145,325 | 3,326,112 |
| Gross loans and advances | 12,088,174 | 11,694,844 |

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

13 Loans and Advances (continued)

(iii) By interest rate sensitivity

| | Group and Bank | Bank |
|------------------------------------|-----------------------|--------------------|
| | 31 March | 31 December |
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| Fixed rate | | |
| - Other fixed rate loans | 2,524,701 | 2,374,406 |
| Variable rate | | |
| - Base lending rate/base rate plus | 1,855,791 | 1,842,963 |
| - Cost of funds plus | 7,442,322 | 7,241,811 |
| - Other variable rates | 265,360 | 235,664 |
| Gross loans and advances | 12,088,174 | 11,694,844 |

(iv) By economic sector

| | Group and Bank | Bank |
|--|-----------------------|--------------------|
| | 31 March | 31 December |
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| Agriculture, forestry & fishing | 379,449 | 353,880 |
| Mining and quarrying | 173,284 | 312,484 |
| Manufacturing | 1,815,978 | 1,953,222 |
| Electricity, gas, steam and air conditioning supply | 1,001,984 | 910,315 |
| Water supply; sewerage, waste management and remediation activities | 43,811 | 43,484 |
| Construction | 954,255 | 691,470 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 418,915 | 490,781 |
| Transportation and storage | 965,187 | 998,101 |
| Accommodation and food service activities | 32,820 | 31,957 |
| Information and communication | 147,732 | 79,876 |
| Financial and insurance/takaful activities | 2,609,053 | 2,204,333 |
| Real estate activities | 1,497,883 | 1,576,414 |
| Professional, scientific and technical activities | 134,807 | 138,036 |
| Administrative and support service activities | 177,652 | 172,394 |
| Activities of Extraterritorial Organisations and Bodies | 57 | - |
| Education | 201,078 | 209,038 |
| Arts, entertainment and recreation | 77,285 | 76,171 |
| Household | 1,456,944 | 1,452,888 |
| Gross loans and advances | 12,088,174 | 11,694,844 |

(v) By residual contractual maturity

| | Group and Bank | Bank |
|---------------------------------------|-----------------------|--------------------|
| | 31 March | 31 December |
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| Maturing within one month | 2,184,062 | 1,811,309 |
| More than one month to three months | 1,440,063 | 1,792,379 |
| More than three months to six months | 307,793 | 379,174 |
| More than six months to twelve months | 317,329 | 316,782 |
| More than twelve months | 7,838,927 | 7,395,200 |
| Gross loans and advances | 12,088,174 | 11,694,844 |

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

13 Loans and Advances (continued)

(vi) Changes in gross loans and advances carrying amount

| | 12-month ECL (Stage 1) RM'000 | Lifetime ECL (non- credit impaired) (Stage 2) RM'000 | Lifetime ECL (credit impaired) (Stage 3) RM'000 | Total RM'000 |
|---|-------------------------------------|---|--|-------------------|
| <u>Group and Bank</u> | | | | |
| As at 1 January 2026 | 11,215,215 | 184,830 | 294,799 | 11,694,844 |
| Transferred to 12-month ECL (Stage 1) | 2,522 | (2,522) | - | - |
| Transferred to lifetime ECL (non-credit impaired) (Stage 2) | (11,533) | 11,533 | - | - |
| Net repayment/reduction in exposure | (22,492) | (5,410) | 2,493 | (25,409) |
| New loans and advances originated | 598,845 | - | - | 598,845 |
| Full settlement | (179,900) | - | (206) | (180,106) |
| Gross carrying amount as at 31 March 2026 | <u>11,602,657</u> | <u>188,431</u> | <u>297,086</u> | <u>12,088,174</u> |
| <u>Bank</u> | | | | |
| As at 1 January 2025 | 11,210,073 | 210,731 | 350,710 | 11,771,514 |
| Transferred to 12-month ECL (Stage 1) | 11,854 | (11,589) | (265) | - |
| Transferred to lifetime ECL (non-credit impaired) (Stage 2) | (42,015) | 42,059 | (44) | - |
| Transferred to lifetime ECL (credit impaired) (Stage 3) | (998) | (3,244) | 4,242 | - |
| Net repayment/reduction in exposure | (915,444) | (45,396) | (13,907) | (974,747) |
| New loans and advances originated | 1,610,608 | 805 | - | 1,611,413 |
| Full settlement | (658,863) | (8,536) | (20,741) | (688,140) |
| Amount written off | - | - | (25,196) | (25,196) |
| Gross carrying amount as at 31 December 2025 | <u>11,215,215</u> | <u>184,830</u> | <u>294,799</u> | <u>11,694,844</u> |

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

13 Loans and Advances (continued)

(vii) Movements in ECL on loans and advances measured at amortised cost

| | 12-month ECL (Stage 1) | Lifetime ECL (non- credit impaired) (Stage 2) | Lifetime ECL (credit impaired) (Stage 3) | Total |
|---|---------------------------|---|--|----------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Group and Bank</u> | | | | |
| As at 1 January 2026 | 25,733 | 24,455 | 176,684 | 226,872 |
| Transferred to 12-month ECL (Stage 1) | 250 | (250) | - | - |
| Transferred to lifetime ECL (non-credit impaired) (Stage 2) | (444) | 444 | - | - |
| New loans and advances originated | 1,024 | - | - | 1,024 |
| ECL written-back during the financial period | (1,688) | (1,551) | (481) | (3,720) |
| Full settlement | (151) | - | - | (151) |
| Other movement | - | - | 1,806 | 1,806 |
| Allowance for ECL as at 31 March 2026 | <u>24,724</u> | <u>23,098</u> | <u>178,009</u> | <u>225,831</u> |
| <u>Bank</u> | | | | |
| As at 1 January 2025 | 38,507 | 32,420 | 160,049 | 230,976 |
| Transferred to 12-month ECL (Stage 1) | 969 | (961) | (8) | - |
| Transferred to lifetime ECL (non-credit impaired) (Stage 2) | (262) | 262 | - | - |
| Transferred to lifetime ECL (credit impaired) (Stage 3) | (46) | (600) | 646 | - |
| New loans and advances originated | 5,344 | 236 | - | 5,580 |
| ECL (written-back)/made during the financial year | (14,107) | (4,481) | 52,692 | 34,104 |
| Full settlement | (4,672) | (2,421) | (15,266) | (22,359) |
| Amount written-off | - | - | (25,196) | (25,196) |
| Other movement | - | - | 3,767 | 3,767 |
| Allowance for ECL as at 31 December 2025 | <u>25,733</u> | <u>24,455</u> | <u>176,684</u> | <u>226,872</u> |

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

13 Loans and Advances (continued)

(viii) Gross credit impaired loans and advances

(a) Movements in credit impaired loans and advances

| | <u>Group and Bank</u> | <u>Bank</u> |
|--|-----------------------|-----------------------|
| | <u>31 March</u> | 31 December |
| | <u>2026</u> | <u>2025</u> |
| | <u>RM'000</u> | <u>RM'000</u> |
| As at 1 January | 294,799 | 350,710 |
| Classified as credit impaired during the financial period/year | 3,298 | 16,881 |
| Reclassified as non-credit impaired during the financial period/ year | - | (309) |
| Amount recovered | (1,011) | (47,287) |
| Amount written-off | - | (25,196) |
| As at 31 March 2026/31 December 2025 | <u>297,086</u> | <u>294,799</u> |
| Less: Lifetime ECL (credit impaired) (Stage 3) | <u>(178,009)</u> | <u>(176,684)</u> |
| | <u><u>119,077</u></u> | <u><u>118,115</u></u> |

(b) By geographical distribution

| | <u>Group and Bank</u> | <u>Bank</u> |
|----------|-----------------------|----------------|
| | <u>31 March</u> | 31 December |
| | <u>2026</u> | <u>2025</u> |
| | <u>RM'000</u> | <u>RM'000</u> |
| Malaysia | <u>297,086</u> | <u>294,799</u> |

(c) By economic sector

| | <u>Group and Bank</u> | <u>Bank</u> |
|---|-----------------------|----------------|
| | <u>31 March</u> | 31 December |
| | <u>2026</u> | <u>2025</u> |
| | <u>RM'000</u> | <u>RM'000</u> |
| Agriculture, forestry and fishing | 42,128 | 42,128 |
| Manufacturing | 58,955 | 58,235 |
| Construction | 492 | 495 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 121 | 121 |
| Accommodation and food service activities | 20,240 | 19,900 |
| Financial and insurance/takaful activities | 41,745 | 41,134 |
| Real estate activities | 1,412 | 1,653 |
| Arts, entertainment and recreation | 77,285 | 76,171 |
| Household | 54,708 | 54,962 |
| | <u>297,086</u> | <u>294,799</u> |

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

14 Other Assets

| | Group and Bank | Bank |
|-------------------|-------------------------------------|--|
| | 31 March 2026 RM'000 | 31 December 2025 RM'000 |
| Settlements | 27,230 | 13,222 |
| Margin deposits | 42,590 | 57,371 |
| Other receivables | 4,807 | 12,917 |
| Sundry deposits | 2,576 | 2,611 |
| Prepayment | 8,195 | 5,091 |
| | 85,398 | 91,212 |
| Less: ECL | (3,752) | (4,371) |
| | 81,646 | 86,841 |

Movements in ECL on other assets

| | Group and Bank | Bank |
|---|-------------------------------------|--|
| | 31 March 2026 RM'000 | 31 December 2025 RM'000 |
| Stage 1 (12-month ECL): | | |
| As at 1 January 2026/1 January 2025 | 4,371 | 3,704 |
| (Reversal of ECL)/ECL charge during the financial period/year (Note 25) | (619) | 1,586 |
| Amount written-off | - | (919) |
| As at 31 March 2026/31 December 2025 | 3,752 | 4,371 |

15 Investment in Subsidiaries

| | Group and Bank | Bank |
|---------------------------------------|-------------------------------------|--|
| | 31 March 2026 RM'000 | 31 December 2025 RM'000 |
| Unquoted shares, at cost, in Malaysia | * | - |

The details of the subsidiaries of the Bank are as follows:

| Name | Principal activities | Ownership interest | | Share capital | |
|-----------------------------------|----------------------|-----------------------|--------------------------|----------------------------|-------------------------------|
| | | 31 March 2026 % | 31 December 2025 % | 31 March 2026 RM'000 | 31 December 2025 RM'000 |
| China Bridge (Malaysia) Sdn. Bhd. | Dissolved | - | - | - | - |
| BOC Nominees (Asing) Sdn. Bhd. | Dormant | 100 | - | # | - |
| BOC Nominees (Tempatan) Sdn. Bhd. | Dormant | 100 | - | # | - |

* Denotes RM 2.

Denotes RM 1.

On 24 November 2025, the Bank has completed the liquidation of the subsidiary, China Bridge (Malaysia) Sdn. Bhd. and recorded a gain on liquidation of subsidiary amounting to RM2,629,000. On 31 March 2026, the subsidiary was dissolved pursuant to section 459 (5) of the Companies Act 2016 and disclosed in Note 31.

On 30 March 2026, two new wholly-owned subsidiaries, BOC Nominees (Asing) Sdn. Bhd. and BOC Nominees (Tempatan) Sdn. Bhd. have been incorporated under the Companies Act 2016 and disclosed in Note 31

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

16 Deposits From Customers

(i) By type of deposits

| | <u>Group and Bank</u> | <u>Bank</u> |
|------------------|-----------------------|-------------------|
| | 31 March | 31 December |
| | <u>2026</u> | <u>2025</u> |
| | RM'000 | RM'000 |
| Demand deposits | 5,635,573 | 5,324,875 |
| Savings deposits | 643,567 | 613,445 |
| Fixed deposits | 6,831,984 | 6,604,487 |
| Other | 2,550 | 2,550 |
| | <u>13,113,674</u> | <u>12,545,357</u> |

(ii) By type of customers

| | <u>Group and Bank</u> | <u>Bank</u> |
|---------------------------------|-----------------------|-------------------|
| | 31 March | 31 December |
| | <u>2026</u> | <u>2025</u> |
| | RM'000 | RM'000 |
| Government and statutory bodies | 2,550 | 2,550 |
| Business enterprises | 7,314,086 | 6,686,537 |
| Individuals | 4,994,344 | 5,052,515 |
| Others | 802,694 | 803,755 |
| | <u>13,113,674</u> | <u>12,545,357</u> |

(iii) The maturity structure of fixed deposits are as follows:

| | <u>Group and Bank</u> | <u>Bank</u> |
|-------------------------|-----------------------|------------------|
| | 31 March | 31 December |
| | <u>2026</u> | <u>2025</u> |
| | RM'000 | RM'000 |
| Due within six months | 5,283,083 | 5,077,091 |
| Six months to one year | 1,500,419 | 1,474,802 |
| One year to three years | 48,482 | 52,594 |
| | <u>6,831,984</u> | <u>6,604,487</u> |

17 Deposits and Placements of Banks and Other Financial Institutions

| | <u>Group and Bank</u> | <u>Bank</u> |
|------------------------------|-----------------------|------------------|
| | 31 March | 31 December |
| | <u>2026</u> | <u>2025</u> |
| | RM'000 | RM'000 |
| Bank Negara Malaysia | 30,133 | 14,780 |
| Licensed banks | 5,302,899 | 4,463,268 |
| Licensed investment banks | 454 | 6,012 |
| Licensed Islamic banks | 6,073 | 9,889 |
| Other financial institutions | 5 | 6 |
| | <u>5,339,564</u> | <u>4,493,955</u> |

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

18 Other Liabilities

| | <u>Group and Bank</u> | <u>Bank</u> |
|--|-----------------------|----------------|
| | 31 March | 31 December |
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| Accrued expenses | 62,608 | 58,693 |
| Margin deposits | 139,066 | 150,136 |
| Interest advances from loans | 19,733 | 15,441 |
| Remittances | 144,785 | 325,047 |
| Other liabilities | 53,190 | 34,914 |
| Lease liabilities | 37,046 | 38,678 |
| Allowance for ECL on commitments and contingencies (Note 18 (i)) | 8,174 | 7,407 |
| | 464,602 | 630,316 |

(i) Movements in ECL on commitment and contingencies:

| | 31 March 2026 | | | |
|---|---------------------------------------|---|---|---------------|
| | 12-month ECL (Stage 1) | Lifetime ECL (non-credit impaired) (Stage 2) | Lifetime ECL (credit impaired) (Stage 3) | Total |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Group and Bank | | | | |
| As at 1 January 2026 | 5,792 | 1,615 | - | 7,407 |
| New loans and advances originated | 77 | - | - | 77 |
| ECL made/(written-back) during the financial period | 1,148 | (436) | - | 712 |
| Full settlement | (22) | - | - | (22) |
| As at 31 March 2026 | 6,995 | 1,179 | - | 8,174 |
| Bank | | | | |
| As at 1 January 2025 | 8,181 | 2,759 | - | 10,940 |
| Transferred to lifetime ECL (non-credit impaired) (Stage 2) | (28) | 28 | - | - |
| Transferred to lifetime ECL (credit impaired) (Stage 3) | - | (14) | 14 | - |
| New loans and advances originated | 536 | - | - | 536 |
| ECL written-back during the financial year | (2,616) | (793) | (14) | (3,423) |
| Full settlement | (281) | (365) | - | (646) |
| As at 31 December 2025 | 5,792 | 1,615 | - | 7,407 |

19 Other borrowing

| | <u>Group and Bank</u> | <u>Bank</u> |
|----------------------------------|-----------------------|---------------|
| | 31 March | 31 December |
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| Unsecured: | | |
| Chinese Yuan Renminbi term loans | - | 175,120 |

The unsecured Chinese Yuan Renminbi term loan is bearing interest rate equal to -0.95% plus one-year loan prime rate ("LPR1Y") with maturity in one (1) year.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

20 Subordinated Loan

| | <u>Group and Bank</u> | <u>Bank</u> |
|-----------------------------|-------------------------|-------------------------|
| | 31 March | 31 December |
| | 2026 | 2025 |
| | RM'000 | RM'000 |
| At cost | 1,442,120 | 1,442,120 |
| Interest accrued | 13,940 | 15,218 |
| Foreign exchange difference | (187,240) | (183,830) |
| | <u>1,268,820</u> | <u>1,273,508</u> |

On 5 July 2023, the Bank has drawdown a new subordinated loan facility ("Subordinated Loan 2") of USD310 million and redeemed the existing unsecured subordinated loan facility ("Subordinated Loan 1") of USD310 million via contra-off/set-off against the Subordinated Loan 2 simultaneously. The Subordinated Loan 2 is an USD310 million subordinated loan (ten (10) years maturity, non-callable five (5) years from the drawdown date) which bears interest rate equal to 0.97% plus SOFR Overnight at a 5 days lookback, interest payable at every 3 months and is prepayable after first five years subject to BNM's approval and other conditions.

The Subordinated Loan 2 was approved by BNM for inclusion as Tier-2 capital of the Bank under BNM's capital adequacy regulations.

The subordinated loan constitutes a direct, unsecured and subordinated obligation of the Bank.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

21 Interest Income

| | Three Months Ended | |
|---|-----------------------|-----------------------|
| | Group and Bank | Bank |
| | 31 March | 31 March |
| | <u>2026</u> | <u>2025</u> |
| | RM'000 | RM'000 |
| Loans and advances | | |
| - Interest income on non-credit impaired loans and advances | 114,718 | 134,794 |
| - Interest income on credit impaired loans and advances | 1,806 | 1,243 |
| Money at call and deposit placement with financial institutions | 41,110 | 41,241 |
| Debt instruments at FVOCI | 28,682 | 21,782 |
| Debt instruments at amortised cost | 635 | 635 |
| Others | 135 | 266 |
| | <u>187,086</u> | <u>199,961</u> |
| Amortisation of premium less accretion of discount | <u>(2,140)</u> | <u>(1,772)</u> |
| | <u><u>184,946</u></u> | <u><u>198,189</u></u> |

22 Interest Expense

| | Three Months Ended | |
|---|--------------------|----------------|
| | Group and Bank | Bank |
| | 31 March | 31 March |
| | <u>2026</u> | <u>2025</u> |
| | RM'000 | RM'000 |
| Deposits and placements of banks and other financial institutions | 18,445 | 28,763 |
| Deposits from customers | 62,777 | 62,672 |
| Other borrowing | 78 | 2,123 |
| Subordinated loan | 14,296 | 18,371 |
| Others | 512 | 602 |
| | <u>96,108</u> | <u>112,531</u> |

23 Other Operating Income

| | Three Months Ended | |
|--|----------------------|----------------------|
| | Group and Bank | Bank |
| | 31 March | 31 March |
| | <u>2026</u> | <u>2025</u> |
| | RM'000 | RM'000 |
| Fee income: | | |
| - Fee on loans and advances | 2,870 | 1,735 |
| - Service charges and fees | 1,058 | - |
| - Guarantee fees | 3,805 | 4,066 |
| Net fee income | <u>7,733</u> | <u>5,801</u> |
| Fee expense: | | |
| - Service charges and fees | - | (47) |
| Net fee income | <u>7,733</u> | <u>5,754</u> |
| Foreign exchange (loss)/gain : | | |
| - Realised | 48,933 | 22,800 |
| - Unrealised | (13,590) | 2,791 |
| Net (loss)/gain on revaluation of derivatives | <u>(1,410)</u> | <u>424</u> |
| Gain from derivative financial instrument | 187 | 764 |
| Gain on disposal of equity instrument at FVTPL | - | 181 |
| Other income | 9 | 12 |
| | <u><u>41,862</u></u> | <u><u>32,726</u></u> |

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

24 Other Operating Expenses

| | Three Months Ended | |
|--|-------------------------------------|-------------------------------------|
| | Group and Bank | Bank |
| | 31 March 2026 RM'000 | 31 March 2025 RM'000 |
| <u>Personnel expenses</u> | | |
| Salaries & wages | 17,767 | 17,438 |
| Bonuses | 8,910 | 7,908 |
| Defined contribution plan ("EPF") | 4,072 | 3,640 |
| Staff welfare expenses | 703 | 295 |
| Other personnel costs | 2,543 | 2,679 |
| | 33,995 | 31,960 |
| <u>Marketing expenses</u> | | |
| Advertising, marketing and communication | 147 | 177 |
| Others | 228 | 166 |
| | 375 | 343 |
| <u>Establishment costs</u> | | |
| Rental of premises | - | 139 |
| Depreciation of property and equipment | 762 | 1,261 |
| Depreciation of right-of-use assets | 1,822 | 1,818 |
| Amortisation of intangible assets | 166 | 314 |
| Finance cost on lease liabilities | 345 | 186 |
| Repairs and maintenance | 435 | 344 |
| Property and equipment written-off | 2 | - |
| Information technology expenses | 747 | 1,073 |
| Electronic device and software expenses | 775 | 368 |
| Other establishment costs | 40 | 103 |
| | 5,094 | 5,606 |
| <u>Administration and general expenses</u> | | |
| Insurance premium | 447 | 750 |
| Auditors' remuneration | | |
| - statutory audit | 68 | 64 |
| - regulatory related service | 53 | 48 |
| Travelling and accommodation | 55 | 102 |
| Telecommunication and utilities | 378 | 304 |
| Printing, stationery and postage | 275 | 186 |
| Legal and professional fees | 152 | 289 |
| Other administration and general expenses | 1,352 | 1,205 |
| | 2,780 | 2,948 |
| | 42,244 | 40,857 |

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

25 ECL on Loans and Advances and Other Financial Assets

| | Three Months Ended | |
|---|----------------------------|----------------------------|
| | Group and Bank | Bank |
| | 31 March 2026 RM'000 | 31 March 2025 RM'000 |
| (Reversal of ECL)/ECL charge on: | | |
| Cash and short-term funds | | |
| - Stage 1 | 134 | 120 |
| Deposits and placements with banks and other financial institutions | | |
| - Stage 1 | 56 | 164 |
| Debt instruments at FVOCI | | |
| - Stage 1 | (17) | 53 |
| Other assets | | |
| - Stage 1 | (619) | 908 |
| Loans and advances (Note 13(vii)) | | |
| - Stage 1 | (815) | (258) |
| - Stage 2 | (1,551) | 824 |
| - Stage 3 | (481) | 1,446 |
| Commitments and contingencies (Note 18(i)) | | |
| - Stage 1 | 1,203 | 49 |
| - Stage 2 | (436) | (783) |
| Bad debt recovered during the financial period | (399) | - |
| | (2,925) | 2,523 |

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

26 Capital Adequacy

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

| | <u>Group</u> | <u>Bank</u> | |
|--|----------------------------|----------------------------|-------------------------------|
| | 31 March 2026 RM'000 | 31 March 2026 RM'000 | 31 December 2025 RM'000 |
| <u>Common Equity Tier 1 ("CET1") Capital</u> | | | |
| Paid-up ordinary share capital | 814,734 | 814,734 | 814,734 |
| Retained profits | 1,573,855 | 1,573,855 | 1,573,855 |
| Regulatory reserve | 110,000 | 110,000 | 110,000 |
| Fair value through other comprehensive reserve | 25,920 | 25,920 | 38,665 |
| Foreign exchange reserve | 18 | 18 | 3 |
| | <u>2,524,527</u> | <u>2,524,527</u> | <u>2,537,257</u> |
| Regulatory adjustment applied in the calculation of CET 1 Capital | | | |
| - Deferred tax assets | (26,091) | (26,091) | (19,975) |
| - Intangible assets | (1,008) | (1,008) | (1,138) |
| - 55% of cumulative gains of debt instruments at FVOCI | (14,256) | (14,256) | (21,266) |
| - Regulatory reserve attributable to financial assets | (110,000) | (110,000) | (110,000) |
| | <u>(151,355)</u> | <u>(151,355)</u> | <u>(152,379)</u> |
| Total CET1 capital/Total Tier 1 capital | <u>2,373,172</u> | <u>2,373,172</u> | <u>2,384,878</u> |
| <u>Tier-2 capital</u> | | | |
| General provision [^] | 171,077 | 171,077 | 161,782 |
| Subordinated loan | 1,254,880 | 1,254,880 | 1,258,290 |
| Less: Investment in subsidiary companies | - | * | - |
| Total Tier-2 capital | <u>1,425,957</u> | <u>1,425,957</u> | <u>1,420,072</u> |
| Total capital base | <u>3,799,129</u> | <u>3,799,129</u> | <u>3,804,950</u> |
| <u>Capital ratio</u> | | | |
| CET 1 capital ratio | 16.318% | 16.330% | 17.479% |
| Tier 1 capital ratio | 16.318% | 16.330% | 17.479% |
| Total capital ratio | 26.123% | 26.142% | 27.887% |

* Denotes RM 2.

[^] General provision is subject to a maximum of 1.25% of total credit risk-weighted assets determined under the Standardised Approach for credit risk.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

26 Capital Adequacy (continued)

(b) Breakdown of risk-weighted assets in the various categories of risk-weights are as follows :

| | <u>Group</u> | <u>Bank</u> | |
|----------------------------|--------------------------|--------------------------|-------------------|
| | 31 March | 31 March | 31 December |
| | <u>2026</u> | <u>2026</u> | <u>2025</u> |
| | RM'000 | RM'000 | RM'000 |
| Credit risk | 13,805,615 | 13,805,615 | 12,942,591 |
| Market risk | 22,599 | 22,599 | 14,119 |
| Operational risk | 714,857 | 704,211 | 687,299 |
| Total risk-weighted assets | <u>14,543,071</u> | <u>14,532,425</u> | <u>13,644,009</u> |

The total capital and capital adequacy ratio of the Bank is computed in accordance with Bank Negara Malaysia's revised Capital Adequacy Framework (Capital Components) Policy. The Framework sets the approach for computing regulatory capital adequacy ratios, as well as the levels of those ratios at which a financial institution is required to operate. The framework has been developed based on internationally-agreed standards on capital adequacy promulgated by the Basel Committee on Banking Supervision ("BCBS").

The Bank adopts Standardised Approach (SA) in computing capital requirement for credit risk and market risk, and adopts Business Indicator Component (BIC) for operational risk (effective from 1 January 2025).

The Bank maintains, in aggregate, loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit impaired exposures in accordance with BNM's revised Financial Reporting Policy.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

27 Commitments and Contingencies

| | 31 March 2026 | | | 31 December 2025 | | |
|---|-------------------|-------------------|------------------|-------------------|-------------------|------------------|
| | Principal | Credit equivalent | Risk weighted | Principal | Credit equivalent | Risk weighted |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Group and Bank</u> | | | | | | |
| Direct credit substitutes | 58,550 | 58,550 | - | 58,107 | 58,107 | - |
| Transaction-related contingent items | 2,615,247 | 1,307,623 | 656,374 | 2,701,265 | 1,350,633 | 668,351 |
| Short-term self-liquidation trade related contingencies | 126,733 | 25,347 | 16,222 | 54,808 | 10,961 | 7,557 |
| | - | - | - | | | |
| Irrevocable commitments to extend credit: | | | | | | |
| - Maturity not exceeding one year | 3,965,949 | 793,190 | 725,882 | 3,694,830 | 738,966 | 668,330 |
| - Maturity exceeding one year | 1,161,400 | 580,700 | 498,323 | 448,758 | 224,379 | 142,498 |
| | - | - | - | | | |
| Foreign exchange related contracts: | | | | | | |
| - Less than one year | 8,118,007 | 95,667 | 40,673 | 8,328,249 | 111,449 | 49,978 |
| | - | - | - | | | |
| Interest/Profit rate related contracts: | | | | | | |
| - Less than one year | 600,284 | 4,532 | 1,262 | 597,880 | 6,680 | 5,197 |
| - More than one year to five year | 1,009,607 | 45,461 | 32,637 | 856,011 | 38,866 | 29,445 |
| Total | 17,655,777 | 2,911,070 | 1,971,373 | 16,739,908 | 2,540,041 | 1,571,356 |

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026**

28 Operations of Islamic Banking

There were no Islamic banking operations for the financial period ended 31 March 2026.

29 Valuation of Property, Plant and Equipment

The Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements.

30 Events Subsequent to Reporting Date

There were no material events subsequent to the end of reporting date that require disclosure or adjustments to the unaudited condensed interim financial statements.

31 Changes in the Composition of the Group

On 30 March 2026, two new wholly-owned subsidiaries, BOC Nominees (Asing) Sdn. Bhd. and BOC Nominees (Tempatan) Sdn. Bhd. have been incorporated under the Companies Act 2016 as disclosed in Note 15.

On 31 March 2026, China Bridge (Malaysia) Sdn. Bhd., the subsidiary of the Bank was dissolved pursuant to section 459 (5) of the Companies Act 2016 as disclosed in Note 15.

There were no other significant changes in the composition of the Group for the financial period ended 31 March 2026.