

INTERIM FINANCIAL STATEMENTS

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

	Note	3rd Quarter Ended			Nine Months Ended		
		Group	Bank		Group	Bank	
		30 September	30 September	30 September	30 September	30 September	30 September
		<u>2024</u>	<u>2025</u>	<u>2024</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	21	191,408	200,844	191,408	589,311	607,162	589,311
Interest expense	22	(111,479)	(117,412)	(111,479)	(348,306)	(347,915)	(348,306)
Net interest income		79,929	83,432	79,929	241,005	259,247	241,005
Other operating income	23	39,087	40,235	37,304	116,655	105,519	112,639
Other operating expenses	24	(42,819)	(44,452)	(42,481)	(127,830)	(128,030)	(126,000)
Operating profit before expected credit losses ("ECL")		76,197	79,215	74,752	229,830	236,736	227,644
Reversal of ECL/(ECL charge) for loans, advances and other financial assets	25	18,164	(28,990)	18,164	11,675	(22,179)	11,789
Profit before taxation		94,361	50,225	92,916	241,505	214,557	239,433
Taxation		(20,214)	(11,755)	(22,362)	(56,207)	(51,675)	(58,001)
Profit for the financial period		74,147	38,470	70,554	185,298	162,882	181,432
Other comprehensive income:							
Items that will be reclassified subsequently to profit or loss when specific conditions are met:							
- Net fair value changes in debt instrument at FVOCI, net of tax		7,868	1,732	7,868	6,453	31,163	6,453
- Net changes in expected credit losses in debt instruments at FVOCI		243	444	243	175	498	175
- Net loss on foreign exchange translation		(8)	-	(8)	(11)	-	(11)
Other comprehensive income, net of tax		8,103	2,176	8,103	6,617	31,661	6,617
Total comprehensive income for the period, net of tax		82,250	40,646	78,657	191,915	194,543	188,049
Earnings per share							
- Basic/fully diluted (sen)					24.36	19.99	23.86

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 2024

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 30 SEPTEMBER 2025**

	← Non-distributable			→ Distributable		
	Share capital	Foreign exchange reserve	Fair value through other comprehensive reserve	Regulatory reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
As at 1 January 2024	760,518	11	8,160	55,000	1,175,102	1,998,791
Profit for the financial year	-	-	-	-	230,719	230,719
Distribution from liquidation of subsidiary	-	-	-	-	(2,615)	(2,615)
Other comprehensive (expense)/income, net of tax	-	(11)	2,004	-	-	1,993
Total comprehensive (expense)/income for the financial year, net of tax	-	(11)	2,004	-	228,104	230,097
Deconsolidation upon commencement of liquidation of the subsidiary (Note 31)	(760,518)	-	(10,164)	(55,000)	(1,403,206)	(2,228,888)
As at 31 December 2024	-	-	-	-	-	-

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 2024

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 30 SEPTEMBER 2025 (CONTINUED)

	Non-distributable			Distributable		
	Share capital	Foreign exchange reserve	Fair value through other comprehensive reserve	Regulatory reserve	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank						
As at 1 January 2025	760,518	-	10,164	55,000	1,403,206	2,228,888
Profit for the financial period	-	-	-	-	162,882	162,882
Other comprehensive income, net of tax	-	-	31,661	-	-	31,661
Total comprehensive income for the financial period, net of tax	-	-	31,661	-	162,882	194,543
Issue of share capital	54,216	-	-	-	-	54,216
Transfer from retained profits to regulatory reserve	-	-	-	20,000	(20,000)	-
As at 30 September 2025	814,734	-	41,825	75,000	1,546,088	2,477,647
As at 1 January 2024	760,518	11	8,160	55,000	1,176,810	2,000,499
Profit for the financial year	-	-	-	-	226,396	226,396
Other comprehensive (expense)/income, net of tax	-	(11)	2,004	-	-	1,993
Total comprehensive (expense)/income for the financial year, net of tax	-	(11)	2,004	-	226,396	228,389
As at 31 December 2024	760,518	-	10,164	55,000	1,403,206	2,228,888

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 2024

INTERIM FINANCIAL STATEMENTS

**UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

	Group	Bank	
	30 September	30 September	30 September
	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000
Profit before taxation	241,505	214,557	239,433
Adjustments for non cash items	(13,464)	14,422	(12,877)
Operating profit before changes in working capital	228,041	228,979	226,556
Changes in working capital:			
Net changes in operating assets	(2,049,256)	(2,151,196)	(2,050,709)
Net changes in operating liabilities	384,581	3,378,541	389,158
Taxes recovered	-	1,973	-
Taxes paid	(34,292)	(43,959)	(34,292)
Net cash (used in)/generated from operating activities	(1,470,926)	1,414,338	(1,469,287)
Net cash used in investing activities	(223,990)	(524,670)	(225,756)
Net cash generated from financing activities	343,530	263,570	343,662
Net (decrease)/increase in cash and cash equivalents during the financial period	(1,351,386)	1,153,238	(1,351,381)
Cash and cash equivalents at beginning of the financial period	3,577,514	3,331,258	3,577,461
Cash and cash equivalents at end of the financial period	<u>2,226,128</u>	<u>4,484,496</u>	<u>2,226,080</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

1 Performance Review

The Bank's operating income grew by 3.14% or RM11.12 million to RM364.77 million compared to the corresponding period. This was due to an increase in net interest income of RM18.24 million. Profit after tax decreased by 10.22% or RM18.55 million to RM162.88 million compared to the corresponding period, mainly due to increase in provision for expected credit losses on loans and advances.

Total assets increased by 20.52% or RM3.83 billion to RM22.52 billion compared to 31 December 2024, mainly due to increase in cash and short-term funds and deposits and placements with banks and other financial institutions. Total liabilities increased by 21.79% or RM3.59 billion to RM20.04 billion compared to 31 December 2024, largely due to an increase in customer deposits and deposits and placements of banks and other financial institutions.

2 Economic Outlook

The global economy continues to expand, supported by positive labour market conditions, less restrictive monetary policy and fiscal stimulus in advanced economies amid the conclusion of many trade deals between the U.S. and most of its trading partners. There remain downside risks to global growth outlook. Downside risks to the outlook include continued uncertainty in the trade policy, on-going geoeconomic risks, volatility in the financial markets and developments in commodities market.

The U.S. economy increased at an annual rate of 3.8% in the second quarter of 2025, a turnaround from a 0.6% decline in the first quarter, primarily driven by strong consumer spending amid signs of weakening in the labour market. The Federal Reserve ("Fed") has reduced the Federal funds rate by 25 basis point to 4.00%-4.25% as of September 2025, a move to forestall the prospect of further labor market slowing. Markets are now expecting more rate cuts in the months ahead and in 2026.

China's economic growth grew by 5.2% year-on-year in the second quarter, a slight slowdown from 5.4% in the first quarter. This growth was supported by strong export activity due to the front-loading activities, and government's stimulus measures. Its economic growth in the second half-year, pressured by exports uncertainty ahead of a potential U.S.-China trade truce. China's policymakers have implemented a mix of monetary and fiscal support to sustain economic growth.

Malaysia's economy grew by 4.4% year-on-year in the first half-year of 2025 and remains on track to grow between 4% and 4.8% in 2025, supported by strong domestic demand, mainly private consumption and investment. Consumer spending has been supported by higher disposable income, continued income growth, civil servants' salary hike, and financial assistance. Export growth was uneven due to the tariff policy uncertainty. Domestic economic growth is expected to remain steady in the second half-year, largely anchored by domestic demand. Bank Negara Malaysia ("BNM") has maintained the Overnight Policy Rate ("OPR") at 2.75% as of September 2025.

As the Renminbi ("RMB") clearing bank, the Bank continues to play a pivotal role in providing cross-border RMB services and integrated financial solutions. The Bank will capitalise on business opportunities to adhere to its position as the "preferred bank for China-related business" and remains focused on longer term prospects.

3 Group Accounting Policies

The unaudited condensed consolidated interim financial statements for the financial period ended 30 September 2025 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 2024.

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 2024.

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

4 Audit Report

The audit report for the financial year ended 31 December 2024 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 30 September 2025.

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 30 September 2025.

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 30 September 2025.

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

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Money market instrument:		
Malaysian Government Securities ("MGS")	1,202,100	984,587
Malaysian Government Investment Issue ("MGII") quoted securities	1,505,693	1,218,191
Unquoted securities:		
Corporate bond	230,625	100,680
	<u>2,938,418</u>	<u>2,303,458</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

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

Movements in ECL on corporate bond

	Bank	
	30 September	31 December
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Stage 1 (12-month ECL):		
As at 1 January 2025/1 January 2024	278	137
ECL made during the financial period/year (Note 25)	498	141
As at 30 September 2025/31 December 2024	<u>776</u>	<u>278</u>

11 Equity Instruments at FVOCI

	Bank	
	30 September	31 December
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
At fair value:		
Unquoted securities in Malaysia		
of which:		
- Cagamas Holdings Berhad	10,794	11,801
- Credit Guarantee Corporation ("CGC")	3,351	3,354
	<u>14,145</u>	<u>15,155</u>

12 Equity Instrument at Fair Value Through Profit and Loss ("FVTPL")

	Bank	
	30 September	31 December
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
At fair value:		
Quoted securities		
Shares of corporation outside Malaysia	-	950

13 Debt Instruments at Amortised Cost

	Bank	
	30 September	31 December
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
At amortised cost:		
Unquoted corporate bond	70,826	70,183

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

14 Loans and Advances

(i) By type

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
At amortised cost		
Overdrafts	175,560	202,655
Terms loans		
- Housing loans	1,191,798	1,102,752
- Syndicated term loans	3,842,614	3,721,056
- Other term loans	1,785,861	1,744,160
Bills receivables	871,444	647,639
Claims on customers under acceptance credits	534,853	641,278
Revolving credits	3,052,352	3,711,474
Staff loans	452	500
Gross loans and advances	11,454,934	11,771,514
Less: Allowance for ECL	(231,784)	(230,976)
Total net loans and advances	11,223,150	11,540,538

(ii) By geographical distribution

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
At		
Malaysia	8,222,558	8,620,850
Other countries	3,232,376	3,150,664
Gross loans and advances	11,454,934	11,771,514

(iii) By interest rate sensitivity

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Fixed rate		
- Other fixed rate loans	2,111,991	2,249,353
Variable rate		
- Base lending rate/base rate plus	1,837,175	1,800,700
- Cost of funds plus	7,290,888	7,584,814
- Other variable rates	214,880	136,647
Gross loans and advances	11,454,934	11,771,514

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

14 Loans and Advances (continued)

(iv) By economic sector

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Agriculture, forestry and fishing	307,811	486,710
Mining and quarrying	327,783	192,233
Manufacturing	1,894,493	1,921,134
Electricity, gas, steam and air conditioning supply	951,943	987,725
Water supply; sewerage, waste management and remediation activities	43,801	1,179
Construction	363,524	757,289
Wholesale and retail trade; repair of motor vehicles and motorcycles	426,513	563,531
Transportation and storage	971,071	1,161,920
Accommodation and food service activities	30,427	56,740
Information and communication	71,093	299,109
Financial and insurance/takaful activities	2,387,862	1,868,314
Real estate activities	1,654,489	1,516,306
Professional, scientific and technical activities	117,510	111,620
Administrative and support service activities	189,764	155,667
Public administration and defence; compulsory social security	-	8,452
Education	209,018	222,725
Arts, entertainment and recreation	75,298	72,949
Household	1,432,534	1,387,911
Gross loans and advances	11,454,934	11,771,514

(v) By residual contractual maturity

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Maturing within one month	1,741,881	1,835,398
More than one month to three months	1,459,868	1,350,060
More than three months to six months	885,987	431,607
More than six months to twelve months	56,078	785,317
More than twelve months	7,311,120	7,369,132
Gross loans and advances	11,454,934	11,771,514

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

14 Loans and Advances (continued)

(vi) Changes in gross loans and advances carrying amount

	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>Bank</u>				
As at 1 January 2025	11,210,073	210,731	350,710	11,771,514
Transferred to 12-month ECL (Stage 1)	6,584	(6,584)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(122,666)	122,975	(309)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(998)	(3,245)	4,243	-
Net change in exposure	(1,232,994)	(43,861)	(14,368)	(1,291,223)
New loans and advances originated	1,548,618	-	-	1,548,618
Full settlement	(532,902)	(8,535)	(7,342)	(548,779)
Amount written off	-	-	(25,196)	(25,196)
Gross carrying amount as at 30 September 2025	<u>10,875,715</u>	<u>271,481</u>	<u>307,738</u>	<u>11,454,934</u>
As at 1 January 2024	10,070,036	231,777	375,476	10,677,289
Transferred to 12-month ECL (Stage 1)	65,431	(65,064)	(367)	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(91,623)	91,623	-	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(482)	(6,068)	6,550	-
Net change in exposure	718,996	(9,524)	777	710,249
New loans and advances originated	1,438,507	-	-	1,438,507
Full settlement	(990,792)	(32,013)	(13,306)	(1,036,111)
Amount written off	-	-	(18,420)	(18,420)
Gross carrying amount as at 31 December 2024	<u>11,210,073</u>	<u>210,731</u>	<u>350,710</u>	<u>11,771,514</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

14 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
Bank				
As at 1 January 2025	38,507	32,420	160,049	230,976
Transferred to 12-month ECL (Stage 1)	1,389	(1,389)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(2,632)	2,640	(8)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(46)	(600)	646	-
New loans and advances originated	6,099	-	-	6,099
ECL (written-back)/made during the financial period	(7,592)	13,488	17,425	23,321
Full settlement	(1,960)	(2,421)	(3,425)	(7,806)
Amount written-off	-	-	(25,196)	(25,196)
Other movement	-	-	4,390	4,390
Allowance for ECL as at 30 September 2025	33,765	44,138	153,881	231,784
As at 1 January 2024	36,760	39,396	178,694	254,850
Transferred to 12-month ECL (Stage 1)	4,903	(4,536)	(367)	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(297)	297	-	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(2)	(578)	580	-
New loans and advances originated	4,691	-	-	4,691
ECL (written-back)/made during the financial year	(5,580)	5,594	18,507	18,521
Full settlement	(1,968)	(7,753)	(17,807)	(27,528)
Amount written-off	-	-	(18,420)	(18,420)
Other movement	-	-	(1,138)	(1,138)
Allowance for ECL as at 31 December 2024	38,507	32,420	160,049	230,976

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

14 Loans and Advances (continued)

(viii) Gross credit impaired loans and advances

(a) Movements in credit impaired loans and advances

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
As at 1 January 2025/1 January 2024	350,710	375,476
Classified as credit impaired during the financial period/year	14,147	22,073
Reclassified as non-credit impaired during the financial period/ year	(309)	(367)
Amount recovered	(31,614)	(28,052)
Amount written-off	(25,196)	(18,420)
As at 30 September 2025/31 December 2024	307,738	350,710
Less: Lifetime ECL (credit impaired) (Stage 3)	(153,881)	(160,049)
	153,857	190,661

(b) By geographical distribution

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Malaysia	307,738	350,710

(c) By economic sector

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Agriculture, forestry and fishing	41,613	39,050
Manufacturing	69,023	73,170
Construction	525	581
Wholesale and retail trade; repair of motor vehicles and motorcycles	125	-
Accommodation and food service activities	19,560	18,639
Financial and insurance/takaful activities	41,852	42,007
Real estate activities	2,476	6,352
Arts, entertainment and recreation	75,298	72,949
Household	57,266	97,962
	307,738	350,710

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

15 Other Assets

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Settlements	52,491	-
Margin deposits	22,182	1,510
Other receivables	14,176	15,077
Sundry deposits	2,554	2,928
Prepayment	2,778	2,517
Precious metal inventories	2	28
	94,183	22,060
Less: ECL	(5,543)	(3,704)
	88,640	18,356

Movements in ECL on other assets

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Stage 1 (12-month ECL):		
As at 1 January 2025/1 January 2024	3,704	1,035
ECL made during the financial period/year (Note 25)	1,848	2,713
Amount written-off	(9)	(44)
As at 30 September 2025/31 December 2024	5,543	3,704

16 Deposits From Customers

(i) By type of deposits

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Demand deposits	4,842,060	3,985,078
Savings deposits	613,899	540,537
Fixed deposits	7,439,232	5,953,190
Other	2,550	2,550
	12,897,741	10,481,355

(ii) By type of customers

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Government and statutory bodies	2,550	2,550
Business enterprises	6,716,989	4,702,753
Individuals	5,118,478	4,590,897
Others	1,059,724	1,185,155
	12,897,741	10,481,355

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

16 Deposits From Customers (continued)

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

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Due within six months	5,135,295	4,232,640
Six months to one year	2,258,154	1,711,551
One year to three years	45,783	8,999
	7,439,232	5,953,190

17 Deposits and Placements of Banks and Other Financial Institutions

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Bank Negara Malaysia	15,001	15,428
Licensed banks	4,787,004	3,759,145
Licensed investment banks	6,270	5,848
Licensed Islamic banks	22,103	8,034
Other financial institutions	6	7
	4,830,384	3,788,462

18 Other Liabilities

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Accrued expenses	39,473	53,576
Margin deposits	169,081	165,629
Interest advances from loans	15,228	18,871
Remittances	88,718	90,215
Other liabilities	26,844	22,595
Lease liabilities	16,005	20,058
Allowance for ECL on commitments and contingencies (Note 18 (i))	10,878	10,940
	366,227	381,884

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

18 Other Liabilities (continued)

(i) Movements in ECL on commitment and contingencies:

	30 September 2025			
	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>Bank</u>				
As at 1 January 2025	8,181	2,759	-	10,940
Transferred to lifetime ECL (credit impaired) (Stage 3)	-	(14)	14	-
New loans and advances originated	936	-	-	936
ECL written-back during the financial period	(314)	(413)	(14)	(741)
Full settlement	(112)	(145)	-	(257)
As at 30 September 2025	<u>8,691</u>	<u>2,187</u>	<u>-</u>	<u>10,878</u>
As at 1 January 2024	8,359	5,802	-	14,161
Transferred to 12-month ECL (Stage 1)	175	(175)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(1)	1	-	-
New loans and advances originated	1,315	-	-	1,315
ECL made during the financial year	903	142	-	1,045
Full settlement	(2,570)	(3,011)	-	(5,581)
As at 31 December 2024	<u>8,181</u>	<u>2,759</u>	<u>-</u>	<u>10,940</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

19 Other borrowing

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
Unsecured:		
Chinese Yuan Renminbi term loans	593,183	314,434

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.

20 Subordinated Loan

	Bank	
	30 September	31 December
	2025	2024
	RM'000	RM'000
At cost	1,442,120	1,442,120
Interest accrued	16,614	18,831
Foreign exchange difference	(138,260)	(57,970)
	1,320,474	1,402,981

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 30 SEPTEMBER 2025

21 Interest Income

	3rd Quarter Ended			Nine Months Ended		
	Group	Bank		Group	Bank	
	30 September 2024	30 September 2025	30 September 2024	30 September 2024	30 September 2025	30 September 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Loans and advances						
- Interest income on non-credit impaired loans and advances	136,606	124,034	136,606	418,389	394,902	418,389
- Interest income on credit impaired loans and advances	1,415	1,869	1,415	4,968	4,390	4,968
Money at call and deposit placement with financial institutions	33,039	48,854	33,039	111,232	137,384	111,232
Debt instruments at FVOCI	21,708	27,198	21,708	59,709	73,547	59,709
Debt instruments at amortised cost	649	650	649	1,934	1,927	1,934
Others	364	201	364	1,217	687	1,217
	193,781	202,806	193,781	597,449	612,837	597,449
Amortisation of premium less accretion of discount	(2,373)	(1,962)	(2,373)	(8,138)	(5,675)	(8,138)
	191,408	200,844	191,408	589,311	607,162	589,311

22 Interest Expense

	3rd Quarter Ended			Nine Months Ended		
	Group	Bank		Group	Bank	
	30 September 2024	30 September 2025	30 September 2024	30 September 2024	30 September 2025	30 September 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	27,386	19,592	27,386	92,844	70,352	92,844
Deposits from customers	58,391	76,134	58,391	179,170	213,118	179,170
Other borrowing	2,789	3,151	2,789	5,225	8,362	5,225
Subordinated loan	22,278	17,859	22,278	69,094	54,153	69,094
Others	635	676	635	1,973	1,930	1,973
	111,479	117,412	111,479	348,306	347,915	348,306

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

23 Other Operating Income

	3rd Quarter Ended			Nine Months Ended		
	Group	Bank		Group	Bank	
	30 September 2024 RM'000	30 September 2025 RM'000	30 September 2024 RM'000	30 September 2024 RM'000	30 September 2025 RM'000	30 September 2024 RM'000
Fee income:						
- Fee on loans and advances	2,304	1,666	2,304	6,692	5,466	6,692
- Service charges and fees	(145)	1,337	(145)	529	2,221	207
- Guarantee fees	3,559	3,764	3,559	12,030	11,595	12,030
- Commission related income	4	-	-	1,933	-	-
Net fee income	5,722	6,767	5,718	21,184	19,282	18,929
Foreign exchange gain/ (loss):						
- Realised	(3,013)	41,503	(3,013)	59,577	73,682	59,590
- Unrealised	31,679	(7,634)	31,679	31,414	11,981	31,414
Net gain/(loss) on revaluation of derivatives	1,531	(705)	1,531	563	(1,045)	563
Unrealised gain on equity instrument at FVTPL	657	-	657	1,034	-	1,034
Gain on disposal of equity instrument at FVTPL	-	-	-	-	181	-
Gain from derivative financial instrument	557	194	557	797	1,028	797
Revenue from sale of precious metal products	-	44	-	16	74	16
Net gain/(loss) on disposal of property and equipment	1,815	-	50	1,816	(1)	50
Dividend income:						
- Equity instruments at FVOCI	15	15	15	60	60	60
Other income	124	51	110	194	277	186
	39,087	40,235	37,304	116,655	105,519	112,639

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

24 Other Operating Expenses

	3rd Quarter Ended			Nine Months Ended		
	Group	Bank		Group	Bank	
	30 September 2024	30 September 2025	30 September 2024	30 September 2024	30 September 2025	30 September 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Personnel expenses</u>						
Salaries & wages	16,189	17,700	16,201	51,984	52,683	51,637
Bonuses	5,295	7,671	5,295	20,404	23,487	20,883
Defined contribution plan ("EPF")	2,618	3,684	2,619	10,421	10,981	10,424
Staff welfare expenses	1,103	660	1,102	2,148	2,660	2,123
Other personnel costs	5,460	4,852	5,488	11,676	10,365	10,979
	30,665	34,567	30,705	96,633	100,176	96,046
<u>Marketing expenses</u>						
Advertising, marketing and communication	159	93	159	520	390	520
Others	1,087	534	1,087	1,558	924	1,558
	1,246	627	1,246	2,078	1,314	2,078
<u>Establishment costs</u>						
Rental of premises	-	1	-	4	280	4
Depreciation of property and equipment	1,375	1,239	1,358	4,240	3,719	4,104
Depreciation of right-of-use assets	2,123	1,867	1,871	6,473	5,544	5,692
Amortisation of intangible assets	297	270	297	837	881	837
Finance cost on lease liabilities	219	159	176	730	524	586
Repairs and maintenance	375	610	376	1,048	1,266	1,034
Property and equipment written-off	-	13	-	4	35	-
Information technology expenses	1,649	947	1,649	3,297	3,062	3,289
Other establishment costs	867	672	869	2,160	1,612	2,137
	6,905	5,778	6,596	18,793	16,923	17,683
<u>Administration and general expenses</u>						
Insurance premium	905	364	905	2,316	1,539	2,316
Auditors' remuneration						
- statutory audit	78	63	63	203	191	188
- regulatory related service	48	48	48	142	143	143
Travelling and accommodation	137	219	137	323	394	323
Telecommunication and utilities	357	446	352	1,021	1,180	1,004
Printing, stationery and postage	280	432	280	837	939	823
Legal and professional fees	321	174	284	600	560	563
Other administration and general expenses	1,877	1,717	1,865	4,877	4,644	4,826
	4,003	3,463	3,934	10,319	9,590	10,186
<u>Other expenses</u>						
Cost of sales of precious metal products	-	17	-	7	27	7
	-	17	-	7	27	7
	42,819	44,452	42,481	127,830	128,030	126,000

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

25 ECL On Loans and Advances and Other Financial Assets

	3rd Quarter Ended			Nine Months Ended		
	Group	Bank		Group	Bank	
	30 September 2024 RM'000	30 September 2025 RM'000	30 September 2024 RM'000	30 September 2024 RM'000	30 September 2025 RM'000	30 September 2024 RM'000
(Reversal of ECL)/ECL charge on:						
Cash and short-term funds						
- Stage 1	21	(94)	21	(53)	81	(53)
Deposits and placements with banks and other financial institutions						
- Stage 1	(43)	(82)	(43)	60	214	60
Debt instruments at FVOCI						
- Stage 1	242	444	242	174	498	174
Other assets						
- Stage 1	101	909	101	727	1,848	727
Loans and advances						
- Stage 1	379	(1,536)	379	(2,596)	(3,453)	(2,596)
- Stage 2	(12,749)	10,840	(12,749)	(3,275)	11,067	(3,275)
- Stage 3	(3,384)	18,055	(3,384)	(3,430)	14,000	(3,430)
Commitments and contingencies						
- Stage 1	(213)	1,113	(213)	126	510	12
- Stage 2	(2,518)	435	(2,518)	(3,198)	(572)	(3,198)
Bad debt recovered during the financial period	-	(1,094)	-	(210)	(2,014)	(210)
	<u>(18,164)</u>	<u>28,990</u>	<u>(18,164)</u>	<u>(11,675)</u>	<u>22,179</u>	<u>(11,789)</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

26 Capital Adequacy

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

	Bank	
	30 September 2025	31 December 2024
	RM'000	RM'000
<u>Common Equity Tier 1 ("CET1") Capital</u>		
Paid-up ordinary share capital	814,734	760,518
Retained profits	1,403,206	1,403,206
Regulatory reserve	75,000	55,000
Fair value through other comprehensive reserve	41,825	10,164
	2,334,765	2,228,888
Regulatory adjustment applied in the calculation of CET 1 Capital		
- Deferred tax assets	(19,988)	(31,148)
- Intangible assets	(1,070)	(1,903)
- 55% of cumulative gains of debt instruments at FVOCI	23,004	5,590
- Regulatory reserve attributable to financial assets	(75,000)	(55,000)
	(73,054)	(82,461)
Total CET1 capital/Total Tier 1 capital	2,261,711	2,146,427
<u>Tier-2 capital</u>		
General provision*	160,606	141,205
Subordinated loan	1,303,860	1,384,150
Less: Investment in a subsidiary company	(1,000)	(1,000)
Total Tier-2 capital	1,463,466	1,524,355
Total capital base	3,725,177	3,670,782
<u>Capital ratio</u>		
CET 1 capital ratio	16.710%	16.707%
Tier 1 capital ratio	16.710%	16.707%
Total capital ratio	27.523%	28.572%

* 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 30 SEPTEMBER 2025**

26 Capital Adequacy (continued)

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

	Bank	
	30 September	31 December
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Credit risk	12,848,516	12,075,843
Market risk	15,576	3,744
Operational risk	670,732	767,893
Total risk-weighted assets	<u>13,534,824</u>	<u>12,847,480</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 30 SEPTEMBER 2025**

27 Commitments and Contingencies

	30 September 2025			31 December 2024		
	Principal	Credit equivalent	Risk weighted	Principal	Credit equivalent	Risk weighted
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank						
Direct credit substitutes	59,027	59,027	-	1,898	1,898	1,882
Transaction-related contingent items	2,837,623	1,418,812	700,420	2,782,112	1,391,057	705,362
Short-term self-liquidation trade related contingencies	67,464	13,492	10,469	60,656	12,131	9,412
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	4,215,541	843,108	761,174	3,231,454	646,291	606,315
- Maturity exceeding one year	536,371	268,186	185,955	319,152	159,576	146,569
Foreign exchange related contracts:						
- Less than one year	4,673,476	65,289	33,189	7,375,786	175,141	54,818
Interest/Profit rate related contracts:						
- Less than one year	606,861	2,172	1,781	633,449	5,147	2,839
- More than one year to five year	874,601	29,583	22,361	328,239	14,660	11,275
Total	13,870,964	2,699,669	1,715,349	14,732,746	2,405,901	1,538,472

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

28 Operations of Islamic Banking

There were no Islamic banking operations for the financial period ended 30 September 2025.

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

China Bridge (Malaysia) Sdn Bhd ("the subsidiary") has commenced member's voluntary winding up on 18 November 2024. Pursuant to Section 445 (2) and Eleventh Schedule of Companies Act 2016, the liquidator has the power to act in the name of the subsidiary and the control over assets and liabilities of the subsidiary lies with the liquidator from 18 November 2024. Accordingly, the subsidiary is consolidated up to 17 November 2024.

There were no significant changes in the composition of the Group for the financial period ended 30 September 2025.