

INTERIM FINANCIAL STATEMENTS

**UNAUDITED CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

		Bank	
		30 June	31 December
		<u>2025</u>	<u>2024</u>
	Note	RM'000	RM'000
ASSETS			
Cash and short-term funds		3,820,247	3,331,258
Deposits and placements with banks and other financial institutions		3,649,161	1,093,468
Derivative financial assets		59,906	89,968
Debt instruments at fair value through other comprehensive income ("FVOCI")	10	2,798,239	2,303,458
Equity instruments at FVOCI	11	14,145	15,155
Equity instrument at fair value through profit and loss ("FVTPL")	12	-	950
Debt instruments at amortised cost	13	70,176	70,183
Loans and advances	14	11,466,234	11,540,538
Other assets	15	65,224	18,356
Right-of-use assets		16,102	18,626
Tax recoverable		9,532	14,264
Deferred tax assets		15,565	31,148
Statutory deposits with Bank Negara Malaysia		65,000	116,000
Investment in a subsidiary		1,000	1,000
Property and equipment		38,570	40,455
Intangible assets		1,292	1,903
TOTAL ASSETS		<u>22,090,393</u>	<u>18,686,730</u>
LIABILITIES AND EQUITY			
Deposits from customers	16	12,613,780	10,481,355
Deposits and placements of banks and other financial institutions	17	4,637,066	3,788,462
Derivative financial liabilities		59,004	88,726
Other liabilities	18	432,212	381,884
Other borrowing	19	590,495	314,434
Subordinated loan	20	1,320,835	1,402,981
TOTAL LIABILITIES		<u>19,653,392</u>	<u>16,457,842</u>
Share capital		814,734	760,518
Reserves		<u>1,622,267</u>	<u>1,468,370</u>
TOTAL EQUITY		<u>2,437,001</u>	<u>2,228,888</u>
TOTAL LIABILITIES AND EQUITY		<u>22,090,393</u>	<u>18,686,730</u>
COMMITMENTS AND CONTINGENCIES			
	27	<u>12,264,701</u>	<u>14,732,746</u>

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 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025**

	Note	2nd Quarter Ended			Six Months Ended		
		Group	Bank		Group	Bank	
		30 June	30 June	30 June	30 June	30 June	30 June
		<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	203,761	208,129	203,761	397,903	406,318	397,903
Interest expense	22	(122,678)	(117,972)	(122,678)	(236,827)	(230,503)	(236,827)
Net interest income		81,083	90,157	81,083	161,076	175,815	161,076
Other operating income	23	42,288	32,558	40,235	77,568	65,284	75,335
Other operating expenses	24	(41,157)	(42,721)	(41,282)	(85,011)	(83,578)	(83,519)
Operating profit before expected credit losses ("ECL")		82,214	79,994	80,036	153,633	157,521	152,892
Reversal of ECL/(ECL charge) for loans, advances and other financial assets	25	7,042	9,334	7,042	(6,489)	6,811	(6,375)
Profit before taxation		89,256	89,328	87,078	147,144	164,332	146,517
Taxation		(21,518)	(21,506)	(21,107)	(35,993)	(39,920)	(35,639)
Profit for the financial period		67,738	67,822	65,971	111,151	124,412	110,878
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		(2,085)	24,010	(2,085)	(1,415)	29,431	(1,415)
- Net changes in expected credit losses in debt instruments at FVOCI		(41)	-	(41)	(68)	54	(68)
- Net loss on foreign exchange translation		(10)	-	(10)	(3)	-	(3)
Other comprehensive (expense)/ income, net of tax		(2,136)	24,010	(2,136)	(1,486)	29,485	(1,486)
Total comprehensive income for the period, net of tax		65,602	91,832	63,835	109,665	153,897	109,392
Earnings per share							
- Basic/fully diluted (sen)					<u>14.62</u>	<u>15.27</u>	<u>14.58</u>

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 JUNE 2025

	← Non-distributable			→ Distributable	
	Share capital	Foreign exchange reserve	Fair value through other comprehensive reserve	Regulatory reserve	Retained profits
	RM'000	RM'000	RM'000	RM'000	RM'000
Total	RM'000				
Group					
As at 1 January 2024	760,518	11	8,160	55,000	1,175,102
Profit for the financial year	-	-	-	-	230,719
Distribution from liquidation of subsidiary	-	-	-	-	(2,615)
Other comprehensive (expense)/income, net of tax	-	(11)	2,004	-	-
Total comprehensive (expense)/income for the financial year, net of tax	-	(11)	2,004	-	228,104
Deconsolidation upon commencement of liquidation of the subsidiary (Note 31)	(760,518)	-	(10,164)	(55,000)	(1,403,206)
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 JUNE 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	-	-	-	-	124,412	124,412
Other comprehensive income, net of tax	-	-	29,485	-	-	29,485
Total comprehensive income for the financial period, net of tax	-	-	29,485	-	124,412	153,897
Issue of share capital	54,216	-	-	-	-	54,216
Transfer from retained profits to regulatory reserve	-	-	-	20,000	(20,000)	-
As at 30 June 2025	814,734	-	39,649	75,000	1,507,618	2,437,001
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 JUNE 2025**

	Group	Bank	
	30 June	30 June	30 June
	<u>2024</u>	<u>2025</u>	<u>2024</u>
	RM'000	RM'000	RM'000
Profit before taxation	147,144	164,332	146,517
Adjustments for non cash items	31,303	(21,567)	30,437
Operating profit before changes in working capital	178,447	142,765	176,954
Changes in working capital:			
Net changes in operating assets	(1,805,883)	(2,473,737)	(1,807,164)
Net changes in operating liabilities	640,977	3,465,068	643,624
Taxes paid	(18,063)	(28,900)	(18,063)
Net cash (used in)/generated from operating activities	<u>(1,004,522)</u>	<u>1,105,196</u>	<u>(1,004,649)</u>
Net cash used in investing activities	<u>(13,628)</u>	<u>(409,984)</u>	<u>(13,628)</u>
Net cash generated from/(used in) financing activities	<u>410,738</u>	<u>(206,223)</u>	<u>410,870</u>
Net (decrease)/increase in cash and cash equivalents during the financial period	(607,412)	488,989	(607,407)
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>2,970,102</u>	<u>3,820,247</u>	<u>2,970,054</u>

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

1 Performance Review

The Bank's operating income grew by 1.98% or RM4.69 million to RM241.10 million compared to the corresponding period. This was due to an increase in net interest income of RM14.74 million. Profit after tax increased by 12.21% or RM13.53 million to RM124.41 million compared to the corresponding period, mainly due to a write back for expected credit losses on loans and advances.

Total assets increased by 18.21% or RM3.40 billion to RM22.09 billion compared to 31 December 2024, mainly due to increase in deposits and placements with banks and other financial institutions. Total liabilities increased by 19.42% or RM3.20 billion to RM19.65 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

Global economic growth is projected to slow from an estimated 3.3% in 2024 to 2.8% in 2025, weighed down by trade tariff's policy uncertainty and diminishing business confidence. The U.S. economy declined by an annual rate of 0.5% in first quarter of 2025, primarily driven by an increase in imports and a decrease in government spending while investment and consumer spending still growing. The incoming data continue to show steady labour market condition and overall inflation has remained fairly tame amid the lingering impact of tariffs. The Federal Reserve ("Fed") has kept the Federal funds rate at 4.25%-4.5% as of June 2025 as it awaits the impact of tariffs.

China's economic growth grew at 5.2% in second quarter of 2025, though slowing from 5.4% in the first quarter, it is on track to meet its full-year target of 5%. Macroeconomic data showed a mixed bag of results in June. While industrial output rose 6.8% year-on-year in June, retail sales growth slowed down to 4.8% from 6.4% in May. The trade tensions with the U.S. will continue to pressurize exports amid the fading effect of front-loaded export shipments in first half of 2025. The Beijing authorities will continue to maintain accommodative interest rate and supportive fiscal spending to keep China's economy going at steady pace.

Malaysia's economic growth is expected to slow further in second quarter of 2025 on slowing industrial activity and exports amid continued expansion of domestic demand, albeit at slower pace. The U.S. tariffs uncertainty still weigh on export prospects as Malaysia still has time to negotiate with the U.S. before the newly announced 25% tariff on 9 July 2025 takes effect on 1 August 2025. Bank Negara Malaysia ("BNM") has reduced the Overnight Policy Rate ("OPR") by 25 basis points to 2.75% in July 2025, as a pre-emptive strike to preserve Malaysia's steady growth path amid external uncertainties.

As the Renminbi ("RMB") clearing bank, the Bank continues to expand its cross-border RMB services and integrated financial solutions. The Bank will continue to seize business opportunities to uphold its position as the "preferred bank for China-related business" and leveraging strategic resources in responding to global economic uncertainties.

3 Group Accounting Policies

The unaudited condensed consolidated interim financial statements for the financial period ended 30 June 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 JUNE 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 June 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 June 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 June 2025.

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

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Money market instrument:		
Malaysian Government Securities ("MGS")	1,251,772	984,587
Malaysian Government Investment Issue ("MGII") quoted securities	1,448,369	1,218,191
Unquoted securities:		
Corporate bond	98,098	100,680
Foreign bond	-	-
	98,098	100,680
	2,798,239	2,303,458

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

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

Movements in ECL on corporate bond

	Bank	
	30 June	31 December
	2025	2024
	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)	54	141
As at 30 June 2025/31 December 2024	332	278

11 Equity Instruments at FVOCI

	Bank	
	30 June	31 December
	2025	2024
	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
	14,145	15,155

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

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
At fair value:		
Quoted securities		
Shares of corporation outside Malaysia	-	950

13 Debt Instruments at Amortised Cost

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
At amortised cost:		
Unquoted corporate bond	70,176	70,183

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

14 Loans and Advances

(i) By type

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
At amortised cost		
Overdrafts	199,327	202,655
Terms loans		
- Housing loans	1,153,710	1,102,752
- Syndicated term loans	3,542,482	3,721,056
- Other term loans	1,874,567	1,744,160
Bills receivables	795,410	647,639
Claims on customers under acceptance credits	596,880	641,278
Revolving credits	3,531,097	3,711,474
Staff loans	467	500
Gross loans and advances	11,693,940	11,771,514
Less: Allowance for ECL	(227,706)	(230,976)
Total net loans and advances	11,466,234	11,540,538

(ii) By geographical distribution

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
At		
Malaysia	8,425,569	8,620,850
Other countries	3,268,371	3,150,664
Gross loans and advances	11,693,940	11,771,514

(iii) By interest rate sensitivity

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Fixed rate		
- Other fixed rate loans	2,443,155	2,249,353
Variable rate		
- Base lending rate/base rate plus	1,854,530	1,800,700
- Cost of funds plus	7,203,583	7,584,814
- Other variable rates	192,672	136,647
Gross loans and advances	11,693,940	11,771,514

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

14 Loans and Advances (continued)

(iv) By economic sector

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Agriculture, forestry and fishing	408,028	486,710
Mining and quarrying	306,246	192,233
Manufacturing	1,895,676	1,921,134
Electricity, gas, steam and air conditioning supply	1,055,751	987,725
Water supply; sewerage, waste management and remediation activities	40,169	1,179
Construction	714,405	757,289
Wholesale and retail trade; repair of motor vehicles and motorcycles	486,732	563,531
Transportation and storage	1,134,827	1,161,920
Accommodation and food service activities	48,957	56,740
Information and communication	1,001	299,109
Financial and insurance/takaful activities	1,985,780	1,868,314
Real estate activities	1,608,869	1,516,306
Professional, scientific and technical activities	123,385	111,620
Administrative and support service activities	167,037	155,667
Public administration and defence; compulsory social security	-	8,452
Education	216,983	222,725
Arts, entertainment and recreation	74,628	72,949
Household	1,425,466	1,387,911
Gross loans and advances	<u>11,693,940</u>	<u>11,771,514</u>

(v) By residual contractual maturity

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Maturing within one month	1,844,733	1,835,398
More than one month to three months	1,365,676	1,350,060
More than three months to six months	910,886	431,607
More than six months to twelve months	551,157	785,317
More than twelve months	7,021,488	7,369,132
Gross loans and advances	<u>11,693,940</u>	<u>11,771,514</u>

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

14 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
Bank				
As at 1 January 2025	11,210,073	210,731	350,710	11,771,514
Transferred to 12-month ECL (Stage 1)	5,317	(5,317)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(32,070)	32,335	(265)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	-	(3,108)	3,108	-
Net change in exposure	(264,155)	(46,024)	(4,930)	(315,109)
New loans and advances originated	662,972	-	-	662,972
Full settlement	(422,203)	(643)	(2,545)	(425,391)
Amount written off	-	-	(46)	(46)
Gross carrying amount as at 30 June 2025	<u>11,159,934</u>	<u>187,974</u>	<u>346,032</u>	<u>11,693,940</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 JUNE 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)	1,043	(1,043)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(71)	80	(9)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	-	(600)	600	-
New loans and advances originated	5,617	-	-	5,617
ECL (written-back)/made during the financial period	(5,681)	232	(3,595)	(9,044)
Full settlement	(1,853)	(5)	(460)	(2,318)
Amount written-off	-	-	(46)	(46)
Other movement	-	-	2,521	2,521
Allowance for ECL as at 30 June 2025	37,562	31,084	159,060	227,706
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 JUNE 2025**

14 Loans and Advances (continued)

(viii) Gross credit impaired loans and advances

(a) Movements in credit impaired loans and advances

	Bank	
	30 June	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	10,340	22,073
Reclassified as non-credit impaired during the financial period/year	(265)	(367)
Amount recovered	(14,707)	(28,052)
Amount written-off	(46)	(18,420)
As at 30 June 2025/31 December 2024	346,032	350,710
Less: Lifetime ECL (credit impaired) (Stage 3)	(159,060)	(160,049)
	186,972	190,661

(b) By geographical distribution

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Malaysia	346,032	350,710

(c) By economic sector

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Agriculture, forestry and fishing	40,745	39,050
Manufacturing	75,109	73,170
Construction	553	581
Accommodation and food service activities	19,348	18,639
Financial and insurance/takaful activities	41,092	42,007
Real estate activities	8,556	6,352
Arts, entertainment and recreation	74,628	72,949
Household	86,001	97,962
	346,032	350,710

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

15 Other Assets

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Margin deposits	40,224	1,510
Other receivables	24,837	15,077
Sundry deposits	2,868	2,928
Prepayment	1,911	2,517
Precious metal inventories	18	28
	69,858	22,060
Less: ECL	(4,634)	(3,704)
	65,224	18,356

Movements in ECL on other assets

	Bank	
	30 June	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)	939	2,713
Amount written-off	(9)	(44)
As at 30 June 2025/31 December 2024	4,634	3,704

16 Deposits From Customers

(i) By type of deposits

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Demand deposits	4,561,107	3,985,078
Savings deposits	573,960	540,537
Fixed deposits	7,476,163	5,953,190
Other	2,550	2,550
	12,613,780	10,481,355

(ii) By type of customers

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Government and statutory bodies	2,550	2,550
Business enterprises	6,383,203	4,702,753
Individuals	5,112,873	4,590,897
Others	1,115,154	1,185,155
	12,613,780	10,481,355

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

16 Deposits From Customers (continued)

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

	Bank	
	30 June	31 December
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Due within six months	5,087,039	4,232,640
Six months to one year	2,332,519	1,711,551
One year to three years	56,605	8,999
	<u>7,476,163</u>	<u>5,953,190</u>

17 Deposits and Placements of Banks and Other Financial Institutions

	Bank	
	30 June	31 December
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Bank Negara Malaysia	14,921	15,428
Licensed banks	4,612,466	3,759,145
Licensed investment banks	5,229	5,848
Licensed Islamic banks	4,444	8,034
Other financial institutions	6	7
	<u>4,637,066</u>	<u>3,788,462</u>

18 Other Liabilities

	Bank	
	30 June	31 December
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Accrued expenses	28,837	53,576
Margin deposits	159,914	165,629
Interest advances from loans	13,508	18,871
Remittances	182,967	90,215
Other liabilities	20,397	22,595
Lease liabilities	17,259	20,058
Allowance for ECL on commitments and contingencies (Note 18 (i))	9,330	10,940
	<u>432,212</u>	<u>381,884</u>

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

18 Other Liabilities (continued)

(i) Movements in ECL on commitment and contingencies:

	30 June 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	1,131	80	-	1,211
ECL written-back during the financial period	(1,625)	(1,073)	(14)	(2,712)
Full settlement	(109)	-	-	(109)
As at 30 June 2025	<u>7,578</u>	<u>1,752</u>	<u>-</u>	<u>9,330</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 JUNE 2025**

19 Other borrowing

	Bank	
	30 June	31 December
	2025	2024
	RM'000	RM'000
Unsecured:		
Chinese Yuan Renminbi term loans	590,495	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 June	31 December
	2025	2024
	RM'000	RM'000
At cost	1,442,120	1,442,120
Interest accrued	16,355	18,831
Foreign exchange difference	(137,640)	(57,970)
	1,320,835	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 JUNE 2025**

21 Interest Income

	2nd Quarter Ended			Six Months Ended		
	Group	Bank		Group	Bank	
	30 June	30 June	30 June	30 June	30 June	30 June
	<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
Loans and advances						
- Interest income on non-credit impaired loans and advances	140,832	136,074	140,832	281,783	270,868	281,783
- Interest income on credit impaired loans and advances	1,687	1,278	1,687	3,553	2,521	3,553
Money at call and deposit placement with financial institutions	43,790	47,289	43,790	78,193	88,530	78,193
Debt instruments at FVOCI	19,257	24,567	19,257	38,001	46,349	38,001
Debt instruments at amortised cost	642	642	642	1,285	1,277	1,285
Others	410	220	410	853	486	853
	<u>206,618</u>	<u>210,070</u>	<u>206,618</u>	<u>403,668</u>	<u>410,031</u>	<u>403,668</u>
Amortisation of premium less accretion of discount	(2,857)	(1,941)	(2,857)	(5,765)	(3,713)	(5,765)
	<u>203,761</u>	<u>208,129</u>	<u>203,761</u>	<u>397,903</u>	<u>406,318</u>	<u>397,903</u>

22 Interest Expense

	2nd Quarter Ended			Six Months Ended		
	Group	Bank		Group	Bank	
	30 June	30 June	30 June	30 June	30 June	30 June
	<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
Deposits and placements of banks and other financial institutions	36,877	21,997	36,877	65,458	50,760	65,458
Deposits from customers	60,154	74,312	60,154	120,779	136,984	120,779
Other borrowing	1,565	3,088	1,565	2,436	5,211	2,436
Subordinated loan	23,432	17,923	23,432	46,816	36,294	46,816
Others	650	652	650	1,338	1,254	1,338
	<u>122,678</u>	<u>117,972</u>	<u>122,678</u>	<u>236,827</u>	<u>230,503</u>	<u>236,827</u>

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

23 Other Operating Income

	2nd Quarter Ended			Six Months Ended		
	Group	Bank		Group	Bank	
	30 June 2024	30 June 2025	30 June 2024	30 June 2024	30 June 2025	30 June 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Fee income:						
- Fee on loans and advances	2,122	2,065	2,122	4,388	3,800	4,388
- Service charges and fees	(113)	931	(113)	674	884	352
- Guarantee fees	4,538	3,765	4,538	8,471	7,831	8,471
- Commission related income	2,059	-	-	1,929	-	-
Net fee income	8,606	6,761	6,547	15,462	12,515	13,211
Foreign exchange gain/(loss):						
- Realised	30,291	9,379	30,304	62,590	32,179	62,603
- Unrealised	3,466	16,824	3,466	(265)	19,615	(265)
Net loss on revaluation of derivatives	(214)	(764)	(214)	(968)	(340)	(968)
Unrealised (loss)/gain on equity instrument at FVTPL	(39)	-	(39)	377	-	377
Gain on disposal of equity instrument at FVTPL	-	-	-	-	181	-
Gain from derivative financial instrument	106	70	106	240	834	240
Revenue from sale of precious metal products	9	30	9	16	30	16
Net gain/(loss) on disposal of property and equipment	1	(1)	-	1	(1)	-
Dividend income:						
- Equity instruments at FVOCI	45	45	45	45	45	45
Other income	17	214	11	70	226	76
	42,288	32,558	40,235	77,568	65,284	75,335

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

24 Other Operating Expenses

	2nd Quarter Ended			Six Months Ended		
	Group	Bank		Group	Bank	
	30 June 2024	30 June 2025	30 June 2024	30 June 2024	30 June 2025	30 June 2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Personnel expenses</u>						
Salaries & wages	17,984	17,545	17,985	35,795	34,983	35,436
Bonuses	7,315	7,908	7,794	15,109	15,816	15,588
Defined contribution plan ("EPF")	3,555	3,657	3,592	7,803	7,297	7,805
Staff welfare expenses	720	1,705	720	1,045	2,000	1,021
Other personnel costs	2,954	2,834	2,953	6,216	5,513	5,491
	32,528	33,649	33,044	65,968	65,609	65,341
<u>Marketing expenses</u>						
Advertising, marketing and communication	138	120	138	361	297	361
Others	77	224	77	471	390	471
	215	344	215	832	687	832
<u>Establishment costs</u>						
Rental of premises	4	140	4	4	279	4
Depreciation of property and equipment	1,410	1,219	1,382	2,865	2,480	2,746
Depreciation of right-of-use assets	2,158	1,860	1,911	4,350	3,677	3,821
Amortisation of intangible assets	240	297	137	511	611	410
Finance cost on lease liabilities	267	179	325	540	365	540
Repairs and maintenance	327	312	322	673	656	658
Property and equipment written-off	1	22	-	4	22	-
Information technology expenses	388	1,042	381	1,648	2,115	1,640
Other establishment costs	702	469	648	1,292	940	1,268
	5,497	5,539	5,110	11,887	11,145	11,087
<u>Administration and general expenses</u>						
Insurance premium	745	425	745	1,411	1,175	1,411
Auditors' remuneration						
- statutory audit	62	64	62	125	128	125
- regulatory related service	46	47	47	94	95	95
Travelling and accommodation	81	73	82	186	175	186
Telecommunication and utilities	534	430	533	664	734	652
Printing, stationery and postage	278	321	278	557	507	543
Legal and professional fees	143	97	143	279	386	279
Other administration and general expenses	1,023	1,722	1,019	3,000	2,927	2,961
	2,913	3,179	2,909	6,317	6,127	6,252
<u>Other expenses</u>						
Cost of sales of precious metal products	4	10	4	7	10	7
	4	10	4	7	10	7
	41,157	42,721	41,282	85,011	83,578	83,519

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

25 Movements in ECL On Loans and Advances and Other Financial Assets

	Six Months Ended					
	Group	Bank	Group	Bank		
	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000
Cash and short-term funds						
- Stage 1	19	55	19	(74)	175	(74)
Deposits and placements with banks and other financial institutions						
- Stage 1	54	132	54	103	296	103
Debt instruments at FVOCI						
- Stage 1	(41)	1	(41)	(68)	54	(68)
Other assets						
- Stage 1	356	31	356	626	939	626
Loans and advances						
- Stage 1	(5,089)	(1,659)	(5,089)	(2,975)	(1,917)	(2,975)
- Stage 2	1,129	(597)	1,129	9,474	227	9,474
- Stage 3	(1,560)	(5,501)	(1,560)	(46)	(4,055)	(46)
Commitments and contingencies						
- Stage 1	(416)	(652)	(416)	339	(603)	225
- Stage 2	(1,494)	(224)	(1,494)	(680)	(1,007)	(680)
Bad debt recovered during the financial period	-	(920)	-	(210)	(920)	(210)
	<u>(7,042)</u>	<u>(9,334)</u>	<u>(7,042)</u>	<u>6,489</u>	<u>(6,811)</u>	<u>6,375</u>

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

26 Capital Adequacy

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

	Bank	
	30 June	31 December
	2025	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	39,649	10,164
	2,332,589	2,228,888
Regulatory adjustment applied in the calculation of CET 1 Capital		
- Deferred tax assets	(15,565)	(31,148)
- Intangible assets	(1,292)	(1,903)
- 55% of cumulative gains of debt instruments at FVOCI	21,807	5,590
- Regulatory reserve attributable to financial assets	(75,000)	(55,000)
	(70,050)	(82,461)
Total CET1 capital/Total Tier 1 capital	2,262,539	2,146,427
<u>Tier-2 capital</u>		
General provision*	156,007	141,205
Subordinated loan	1,304,480	1,384,150
Less: Investment in a subsidiary company	(1,000)	(1,000)
Total Tier-2 capital	1,459,487	1,524,355
Total capital base	3,722,026	3,670,782
<u>Capital ratio</u>		
CET 1 capital ratio	17.208%	16.707%
Tier 1 capital ratio	17.208%	16.707%
Total capital ratio	28.309%	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 JUNE 2025**

26 Capital Adequacy (continued)

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

	Bank	
	30 June	31 December
	<u>2025</u>	<u>2024</u>
	RM'000	RM'000
Credit risk	12,480,596	12,075,843
Market risk	13,281	3,744
Operational risk	653,974	767,893
Total risk-weighted assets	<u>13,147,851</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
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27 Commitments and Contingencies

	30 June 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
<u>Bank</u>						
Direct credit substitutes	17	17	-	1,898	1,898	1,882
Transaction-related contingent items	2,417,968	1,208,984	606,986	2,782,112	1,391,057	705,362
Short-term self-liquidation trade related contingencies	69,574	13,915	9,891	60,656	12,131	9,412
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	3,452,839	690,568	651,504	3,231,454	646,291	606,315
- Maturity exceeding one year	295,640	147,820	134,064	319,152	159,576	146,569
Foreign exchange related contracts:						
- Less than one year	4,542,830	81,158	44,773	7,375,786	175,141	54,818
Interest/Profit rate related contracts:						
- Less than one year	608,601	9,470	8,281	633,449	5,147	2,839
- More than one year to five year	877,232	41,330	30,408	328,239	14,660	11,275
Total	12,264,701	2,193,262	1,485,907	14,732,746	2,405,901	1,538,472

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

28 Operations of Islamic Banking

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