CHINA CONSTRUCTION BANK (MALAYSIA) BERHAD
(Incorporated in Malaysia)
Company No. 201601032761 (1203702-U)

Risk-Weighted Capital Adequacy Framework (Basel II)

Pillar 3 Disclosure

30 June 2026

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PILLAR 3 DISCLOSURE
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30 June 2026

1.0 Introduction

China Construction Bank (Malaysia) Berhad (“CCBM” or “the Bank”) computes capital adequacy ratios pursuant to the requirements of the Bank Negara Malaysia’s (“BNM”) Risk Weighted Capital Adequacy Framework (“RWCAF”), and presents the Pillar 3 disclosure twice a year (i.e. semi-annual and annual), which is consistent with the Basel II requirement issued by the Basel Committee on Banking Supervision (“BCBS”). The following information is provided in order to highlight CCBM’s capital adequacy and details of risk exposures.

2.0 Scope of Application

CCBM is a wholly-owned subsidiary of China Construction Bank Corporation (“CCB”). The Bank is mainly engaged in commercial banking and related financial services in Malaysia. The Bank does not offer Islamic financial services nor is it involved in Islamic banking operations.

BNM disclosure requirement (“Pillar 3”) is applicable to all banking institutions licensed under the Financial Services Act 2013 (“FSA”) and Islamic Financial Services Act 2013 (“IFSA”). The purpose of Pillar 3 disclosure requirements is to enhance the transparency of banks’ risk management practices and capital adequacy.

CCBM adopts the Standardised Approach to compute the Risk-Weighted Assets (“RWA”) and Capital Requirement for credit risk and market risk in accordance with the BNM Capital Adequacy Framework (Basel II – Risk-Weighted Assets). Effective 1 January 2025, the Bank has adopted Basel III Standardised Approach for the computation of operational risk RWA and Capital Requirements.

The following information have been reviewed by the independent party and certified by the Bank’s Chief Executive Officer.

3.0 Capital

CCBM uses stress testing and scenario analysis to assess capital adequacy under a wide range of extreme but plausible scenarios. This exercise provides insight into potential vulnerabilities and allows CCBM to implement mitigation measures.

CCBM risk appetite is closely integrated with its strategy, business planning and capital assessment processes. CCBM risk appetite incorporates senior management's views on the level of capital required to support business activities.

The Bank conducts a bank-wide exercise to identify the material risks to the organisation. Each material risk is assessed to identify relevant mitigation actions and appropriate levels of capital determined.

The Bank has in place processes and controls to monitor and manage capital adequacy across the organisation.

3.1 Capital Adequacy

The Bank's capital adequacy ratio is computed in accordance with the BNM's Capital Adequacy Framework. The following information shows the capital adequacy ratio of the Bank and the breakdown of risk-weighted asset ("RWA") for respective reporting date.

	30 June 2026	**31 Dec 2025**
CET I Capital Ratio	22.660%	26.044%
Tier I Capital Ratio	22.660%	26.044%
Total Capital Ratio	42.770%	48.276%

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3.1 Capital Adequacy (continued)

The RWA by exposures are breakdown based on the following major risk category:

30 June 2026 Risk Type	**Gross exposure/ EAD before CRM (RM'000)**	**Net exposure/ EAD after CRM (RM'000)**	**Risk-weighted Assets (RM'000)**	**Capital requirement at 8% (RM'000)**
Credit Risk				
On-balance sheet exposures				
Sovereign/Central Banks	3,485,106	3,485,106	-	-
Banks, development financial institutions & MDBs	3,593,120	3,593,120	718,624	57,490
Corporates	4,410,455	4,410,455	1,775,859	142,069
Other assets	-	-	-	-
Total on-balance sheet exposures	**11,488,681**	**11,488,681**	**2,494,483**	**199,559**
Off-balance sheet exposures				
OTC derivatives	463,547	463,547	260,777	20,862
Credit-related off-balance sheet exposures	1,286,423	1,286,423	1,087,392	86,991
Total off-balance sheet exposures	**1,749,970**	**1,749,970**	**1,348,169**	**107,854**
Total Credit Risk	**13,238,651**	**13,238,651**		

Market Risk	**Gross exposures/ EAD before CRM (RM'000)**		**Risk-weighted Assets (RM'000)**	**Capital requirement at 8% (RM'000)**
	Long position	Short position		
Interest rate risk	317,265	317,148	1,445	115.62
Foreign currency risk	1,152	(346,817)	346,817	27,745.33
Operational Risk			239,890	19,191
Total RWA and capital requirement			**4,430,804**	**354,464**

3.1 Capital Adequacy (continued)

The risk-weighted asset ("RWA") by exposures are breakdown based on the following major risk category:

31 Dec 2025 Risk Type	Gross exposure/ EAD before CRM (RM'000)	Net exposure/ EAD after CRM (RM'000)	Risk-weighted Assets (RM'000)	Capital requirement at 8% (RM'000)
Credit Risk				
On-balance sheet exposures				
Sovereign/Central Banks	2,899,627	2,899,627	-	-
Banks, development financial institutions & MDBs	2,380,487	2,380,487	476,097	38,088
Corporates	4,095,179	4,095,179	1,890,352	151,228
Other assets	-	-	-	-
Total on-balance sheet exposures	**9,375,293**	**9,375,293**	**2,366,450**	**189,316**
Off-balance sheet exposures				
OTC derivatives	386,438	386,438	250,156	20,012
Credit-related off-balance sheet exposures	1,079,615	1,079,615	757,170	60,574
Total off-balance sheet exposures	**1,466,053**	**1,466,053**	**1,007,326**	**80,586**
Total Credit Risk	**10,841,345**	**10,841,345**		

Market Risk	**Gross exposures/ EAD before CRM (RM'000)**		**Risk-weighted Assets (RM'000)**	**Capital requirement at 8% (RM'000)**
	Long position	Short position		
Interest rate risk	408,342	408,170	3,060	245
Foreign currency risk	598	(283,741)	283,741	22,699
Operational Risk			228,555	18,284
Total RWA and capital requirement			**3,889,131**	**311,130**

3.2 Capital Structure

Paid-up ordinary share capital is the capital issued by an entity to an investor, which is fully paid-up where the proceeds of the issue are available and received immediately by the entity. The entity has no obligation to pay a coupon or dividend to the equity holder of ordinary shares. The capital is available for unrestricted and immediate use to cover risks and losses, and enables the entity to continue the operation as usual.

The Bank's total capital according to BNM's Capital Adequacy Framework (Capital Components) are as follows:

	30 June 2026 (RM'000)	31 Dec 2025 (RM'000)
CET I Capital		
Paid-up ordinary share capital	822,600	822,600
Retained profits	205,844	205,844
Other reserves	7,052	19,143
Regulatory adjustments applied in the calculation of CET I Capital	(31,470)	(34,696)
Total CET I/Tier I Capital	**1,004,026**	**1,012,891**
Tier II Capital		
Tier II capital instruments meeting all relevant criteria	855,744	827,808
Loss provisions	35,278	36,823
Total Tier II Capital	**891,022**	**864,631**
Total Capital	**1,895,048**	**1,877,522**

4.0 Risk Management

The Bank’s risk management framework sets the overarching principles to enable the identification, measurement, and continuous monitoring of all relevant and material risks on bank-wide basis, supported by robust management information systems that facilitate timely and reliable reporting of risks and the integration of information across the Bank.

The Bank’s risk management framework emphasis on strong risk culture and a well-developed risk appetite. Effective and efficient risk management safeguards the Bank’s continuous existence and enables it to achieve its long term corporate goals.

The Board of Directors (“BOD”) has overall responsibility for the establishment and oversight of the Bank’s risk management framework. The BOD has established the Board Risk Management Committee (“BRMC”) which is responsible for developing risk management strategies and policies, monitoring the implementation and evaluating the Bank's overall risk profile on a regular basis.

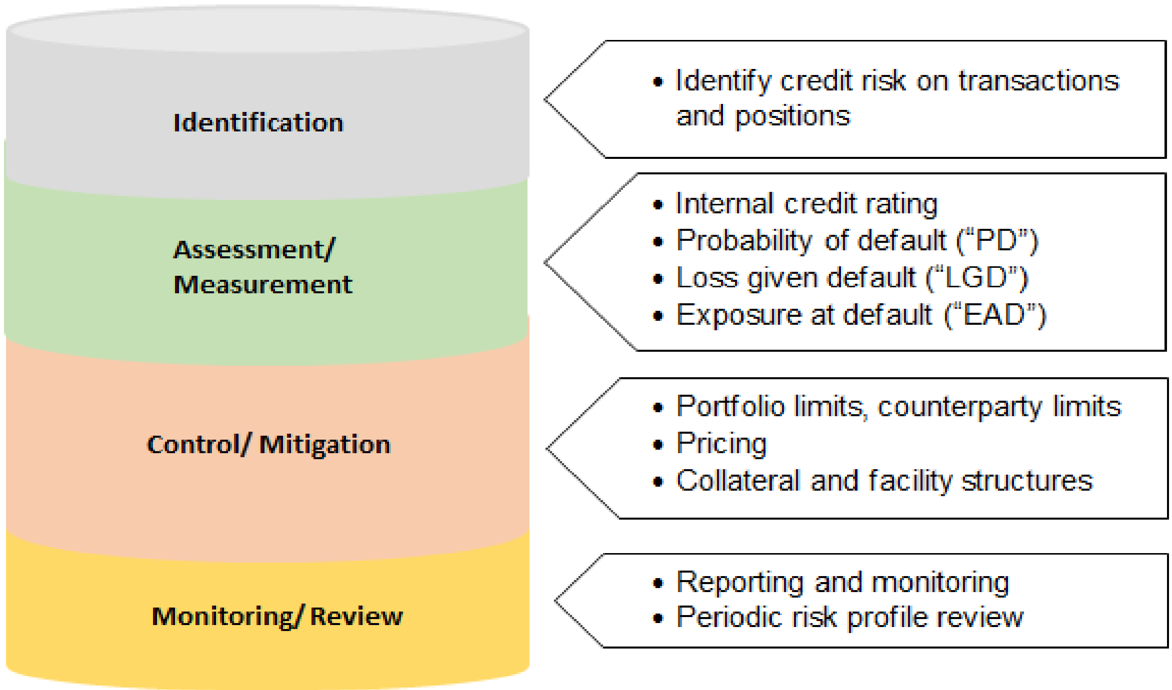
The Senior Management is responsible for establishing the risk management framework and provides input to assist the BOD in discharging its oversight responsibilities. Management Committees i.e. Assets and Liabilities Committee (“ALCO”) and the Risk Management Committee (“RMC”) play a significant role in reviewing the development of risk management policies, defining the strategies and ensuring the risk management outcomes are aligned with the Bank’s business strategies.

The main risks the Bank is exposed to are:
Credit risk
Market risk
Operational risk
Liquidity risk
Credit concentration risk (“CCR”)
Interest rate risk in the banking book (“IRRBB”)

Internal Audit Division provides assurance on adequacy and effectiveness of the governance process, risk management and internal control systems. The Risk Management Division (“RMD”) provides support to the BOD and RMC by monitoring, reviewing, reporting associated risks, implementing and coordinating the risk management policies. RMD is also responsible in ensuring that the Bank’s risk management objectives are aligned with the current business operating environment.

5.0 Credit Risk

The credit risk management process is depicted as follows:



Credit risk is the risk of loss that arises from the failure of a counterparty to discharge its contractual obligations or commitments to the Bank. The Bank's exposure to credit risk arises primarily from the Bank's lending, trade finance and its funding, investment and trading activities from both on and off balance sheet transactions.

The Bank has established the Risk Management Committee ("RMC") to monitor credit risk exposure trends, asset quality, portfolio concentration analysis and credit related limits controls. The RMC ensures that the Bank practices prudent underwriting standards that are consistent with the Bank's risk appetite and lending strategies.

The Bank has also established the Credit Committee to review and evaluate the borrowers' credit ratings based on internal rating criteria and the suitability of credit risk mitigation such as specific types of collaterals. Pre-emptive risk management tools such as collateral management, watch list and management-action-triggers have been put in place to proactively monitor for signs of possible credit deterioration.

5.0 Credit Risk (continued)

The Bank's credit risk management process is independent of the business to protect the integrity of the risk assessment process and decision making. Credit risk in respect of exposures to corporate borrowers is measured and managed at both individual counterparty level as well as at a portfolio level.

The Bank controls its concentration risk by means of appropriate structural limits and borrower limits based on creditworthiness. The exposures to individual clients or group are based on the internal rating of the counterparty as well as group-wide borrowing limits and capped by the regulatory ceiling.

In addition, the Bank has established limits to mitigate concentration risk within different industry sectors so that the Bank's exposures are evenly spread over various sectors with refrainment from undesirable sectors.

A loan is considered past due when the counterparty has failed to make a principal or interest payment when it is contractually due, whilst individual loan of more than 90 days past due is classified as impaired and any other events occurred as per the policies. The classification of impaired loans/financing and provision of the Bank for loans/financing impairment is consistent with the standard under Malaysian Financial Reporting Standards.

Where individual loans are impaired, the individual impairment provision is set aside when the estimated recoverable amount is lower than the net book value of the loan. Additionally, the Bank has applied the Expected Credit Loss based on local regulatory requirements.

BOD plays a crucial role in ensuring the proper oversight of the credit risk management in CCBM, in line with the Bank's capital strength, management expertise, risk appetite, business strategies and lending strategies. The BRMC assists BOD in evaluating and assessing the adequacy of strategies to manage the risks associated with CCBM's activities. The BRMC is also responsible with reviewing and evaluating the credit products engaged by CCBM to ensure that it is conducted within the standards and policies set by the BOD.

The RMC is responsible in reviewing the development of credit risk management policies, defining the strategies and ensuring the outcomes are aligned with the Bank's business strategies. The RMD constantly monitor the credit limit and assess the risks within credit proposals, as well as preparing credit risk management related reporting to BOD/management, Parent Bank and BNM as required.

5.0 Credit Risk (continued)

The effective credit monitoring and review process is vital to ensure that CCBM is aware of the condition of its credit exposures vis-à-vis its approved risk appetite and to facilitate early identification of potential problem credits on a timely basis. All credit exposures will go through a review process at least once a year. The Credit Management Division (“CMD”) may initiate an ad-hoc review on any existing borrower if the market conditions associated with the borrower has changed in a way that may affect the borrower’s risk profile.

5.1 Geographical Analysis

The gross credit exposures of financial assets are breakdown based on the geographical location where the credit risk resides, as follows:

30 June 2026 Credit Exposure	**Malaysia (RM'000)**	**China (RM'000)**	**USA (RM'000)**	**Singapore (RM'000)**	**Others (RM'000)**
Sovereigns/Central Banks	3,485,106	-	-	-	-
Banks, development financial institutions and MDBs	3,426,073	549,676	12,512	2,207	-
Corporates	5,747,156	15,921	-	-	-
Other assets	-	-	-	-	-
Total	**12,658,335**	**565,597**	**12,512**	**2,207**	**-**

31 Dec 2025 Credit Exposure	**Malaysia (RM'000)**	**China (RM'000)**	**USA (RM'000)**	**Singapore (RM'000)**	**Others (RM'000)**
Sovereigns/Central Banks	2,899,627	-	-	-	-
Banks, development financial institutions and MDBs	2,207,805	439,789	27,554	691	-
Corporates	5,250,033	15,848	-	-	-
Other assets	-	-	-	-	-
Total	**10,357,464**	**455,637**	**27,554**	**691**	**-**

5.2 Industry/Sector Analysis

The table below shows the breakdown of gross credit exposures by industry/sectors:

30 June 2026

Credit Exposure	Category				Total
Sector	Sovereigns & Central Banks	Banks, development financial institutions & MDBs	Corporates	Other assets	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Agriculture forestry and fishing	-	-	45,100	-	45,100
Construction	-	-	1,231,862	-	1,231,862
Education			147,816		147,816
Electricity, gas and water	-	-	26,350	-	26,350
Financial and Insurance / Takaful Activities	3,485,106	3,990,468	439,710	-	7,915,284
Information and Communication	-	-	203,868		203,868
Manufacturing	-	-	1,229,233	-	1,229,233
Mining and Quarrying	-	-	28,011	-	28,011
Professional, Scientific and Technical Activities	-	-	229,250	-	229,250
Real Estate	-	-	235,535	-	235,535
Transport, and Storage	-	-	1,511,700	-	1,511,700
Water Supply; Sewerage, Waste Management and Remediation Activities	-	-	15,921	-	15,921
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	-	-	418,720	-	418,720
Other business activities	-	-	-	-	-
Total	**3,485,106**	**3,990,468**	**5,763,077**	**-**	**13,238,651**

5.2 Industry/Sector Analysis (continued)

The table below shows the breakdown of gross credit exposures by industry/sectors:

31 Dec 2025

Credit Exposure Sector	Category				Total
	Sovereigns & Central Banks (RM'000)	Banks, development financial institutions & MDBs (RM'000)	Corporates (RM'000)	Other assets (RM'000)	(RM'000)
Agriculture forestry and fishing	-	-	45,125	-	45,125
Construction	-	-	768,622	-	768,622
Education			158,699		158,699
Electricity, gas and water	-	-	-	-	-
Financial and Insurance / Takaful Activities	2,899,627	2,675,839	621,934	-	6,197,400
Information and Communication	-	-	203,932		203,932
Manufacturing	-	-	1,158,660	-	1,158,660
Mining and Quarrying	-	-	36,675	-	36,675
Professional, Scientific and Technical Activities	-	-	184,424	-	184,424
Real Estate	-	-	189,347	-	189,347
Transport, and Storage	-	-	1,556,770	-	1,556,770
Wholesale and Retail Trade; Repair of Motor	-	-	325,845	-	325,845
Water supply; sewerage, Waste Management and Remediation Activities	-	-	15,848	-	15,848
Other business activities	-	-	-	-	-
Total	**2,899,627**	**2,675,839**	**5,265,880**	**-**	**10,841,347**

5.3 Maturity Analysis (Residual Contractual Maturity)

The table below shows the breakdown of residual contractual maturity by different types of gross credit exposures:

30 June 2026

Credit Exposure Category	Up to one year (RM'000)	Maturity 1-5 years (RM'000)	> 5 years (RM'000)	Total (RM'000)
Sovereigns/Central Banks	946,653	2,076,406	462,047	3,485,106
Banks, development financial institutions and MDBs	3,899,841	64,620	26,006	3,990,468
Corporates	3,870,367	1,513,401	379,309	5,763,077
Other assets	-	-	-	-
Total	**8,716,862**	**3,654,427**	**867,362**	**13,238,651**

31 Dec 2025

Credit Exposure Category	Up to one year (RM'000)	Maturity 1-5 years (RM'000)	> 5 years (RM'000)	Total (RM'000)
Sovereigns/Central Banks	1,001,671	1,082,952	815,004	2,899,627
Banks, development financial institutions and MDBs	2,577,498	55,817	42,524	2,675,839
Corporates	3,280,671	1,489,138	496,072	5,265,880
Other assets	-	-	-	-
Total	**6,859,840**	**2,627,907**	**1,353,600**	**10,841,347**

5.4 Impaired loans and impairment provision by economic sector

The tables below show the breakdown of impaired loans and impairment provision by economic sector:

a) Impaired loans by sector

	30 June 2026 (RM'000)	31 Dec 2025 (RM'000)
Finance, insurance, real estate and business activities	-	-
Manufacturing	-	-
Construction	-	-
Wholesale and retail trade, and restaurant and hotels	-	-
Government and government agencies	-	-
Education, health and others	-	-
Others	-	-
Total	-	-

b) Past due loans by sector

	30 June 2026 (RM'000)	31 Dec 2025 (RM'000)
Finance, insurance, real estate and business activities	-	-
Manufacturing	-	-
Construction	-	-
Wholesale and retail trade, and restaurant and hotels	-	-
Government and government agencies	-	-
Education, health and others	-	-
Others	-	-
Total	-	-

c) Individual impairment provisions by sector

	30 June 2026 (RM'000)	31 Dec 2025 (RM'000)
Finance, insurance, real estate and business activities		
Manufacturing	-	-
Construction	-	-
Wholesale and retail trade, and restaurant and hotels	-	-
Government and government agencies	-	-
Education, health and others	-	-
Others	-	-
Total	-	-

5.4 Impaired loans and impairment provision by economic sector (continued)

The tables below show the breakdown of impaired loans and impairment provision by economic sector:

d) Expected Credit Loss by sector

	30 June 2026 (RM'000)	31 Dec 2025 (RM'000)
Agriculture, hunting, forestry and fishing	479	496
Administrative and support service activities	-	-
Construction	2,148	2,004
Education	-	-
Electricity, gas and water	106	
Financial and Insurance/ Takaful Activities	2,446	3,632
Information and Communication	5,556	2,225
Manufacturing	15,353	20,449
Mining and Quarrying	48	189
Professional, Scientific and Technical Activities	1,737	2,043
Real Estate	1,735	1,644
Transportation and Storage	1,661	1,619
Water Supply; Sewerage, Waste Management and Remediation Activities	2,458	609
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	1,551	1,914
Others business activities	-	-
Total	**35,278**	**36,824**

5.5 Impaired loans and impairment provision by geographical area

The tables below show the breakdown of impaired loans and impairment provision by geographical area:

a) Impaired loans by geographical area

	30 June 2026 (RM'000)	31 Dec 2025 (RM'000)
Malaysia	-	-
China	-	-
Singapore		
USA	-	-
Others	-	-
Total	**-**	**-**

5.5 Impaired loans and impairment provision by geographical area (continued)

The tables below show the breakdown of impaired loans and impairment provision by geographical area:

b) Past due loans by geographical area

	30 June 2026 (RM'000)	31 Dec 2025 (RM'000)
Malaysia	-	-
China	-	-
Singapore		
USA	-	-
Others	-	-
Total	-	-

c) Individual provision by geographical area

	30 June 2026 (RM'000)	31 Dec 2025 (RM'000)
Malaysia	-	-
China	-	-
Singapore		
USA	-	-
Others	-	-
Total	-	-

d) Expected Credit Loss by geographic area

	30 June 2026 (RM'000)	31 Dec 2025 (RM'000)
Malaysia	32,735	36,040
China	2,540	768
Singapore	2	1
USA	1	14
Others	-	-
Total	**35,278**	**36,824**

5.6 Reconciliation of changes to loan impairment provisions

	30 June 2026 (RM'000)	31 Dec 2025 (RM'000)
Impaired loans and advances		
At the beginning of the financial year	-	-
Classified as impaired during the financial year	-	-
Amount recovered	-	-
Amount written-off	-	-
Amount reclassified as performing	-	-
At the end of the financial year	-	-
Individual impairment allowance	-	-
Net impaired loans and advances	-	-
Individual impairment allowance		
At the beginning of the financial year	-	-
Allowance made during the financial year	-	-
Allowance written back during the financial year	-	-
At the end of the financial year	-	-
Expected Credit Loss*		
At the beginning of the financial year	36,824	25,392
Allowance made during the financial year	35,777	44,898
Allowance written back during the financial year	(37,322)	(33,466)
At the end of the financial year / period	35,278	36,824

6.0 Credit Rating

CCBM applies the credit ratings assigned by the External Credit Assessment Institutions ("ECAIs") that are recognised by BNM in its calculation of credit risk weighted assets for capital adequacy purposes. The Bank applies external ratings for capital adequacy purposes on a consistent basis as stipulate in BNM's Capital Adequacy Framework (Basel II – Risk-weighted Assets).The following are the eligible ECAIs:
a) Standard & Poor's (S&P)
b) Moody's Investor Service (Moody's)
c) Fitch Rating (Fitch)
d) RAM Rating Services Berhad (RAM)
e) Malaysian Rating Corporation Berhad (MARC)

In addition, CCBM uses an internal rating model which is the Credit Risk Rating system to assist with the credit decision process. The Credit Risk Rating system has been developed by CCB Parent Bank and is used across its global operations. It uses a combination of quantitative and qualitative measures to determine the applicant's credit rating.

Assignment of Risk Weights for Portfolios Under The Standardised Approach

Sovereigns/ Central Banks

Rating Category	S&P	Moody's	Fitch	R&I	Risk Weight
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA-	0%
2	A+ to A-	A1 to A3	A+ to A-	A+ to A-	20%
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB+ to BBB-	50%
4	BB+ to B-	Ba1 to B3	BB+ to B-	BB+ to B-	100%
5	CCC+ to D	Caa1 to C	CCC+ to D	CCC+ to C	150%
Unrated					100%

Banking Institutions

Rating Category	S&P	Moody's	Fitch	R&I	RAM	MARC	Risk Weight
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA-	AAA to AA3	AAA to AA-	20%
2	A+ to A-	A1 to A3	A+ to A-	A+ to A-	A1 to A3	A+ to A-	50%
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB+ to BBB-	BBB1 to BBB3	BBB+ to BBB-	50%
4	BB+ to B-	Ba1 to B3	BB+ to B-	BB+ to B-	BB1 to BB3	BB+ to B-	100%
5	CCC+ to D	Caa1 to C	CCC+ to D	CCC+ to C	C1 to D	C+ to D	150%
Unrated							50%

Banking Institutions

Rating Category	Risk Weight (original maturity of <= 6months)	Risk Weight (original maturity of <= 3months)
1	20%	20%
2	20%	
3	20%	
4	50%	
5	150%	
Unrated	20%	

Corporates

Rating Category	S&P	Moody's	Fitch	R&I	RAM	MARC	Risk Weight
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA-	AAA to AA3	AAA to AA-	20%
2	A+ to A-	A1 to A3	A+ to A-	A+ to A-	A1 to A3	A+ to A-	50%
3	BBB+ to BB-	Baa1 to Ba3	BBB+ to BB-	BBB+ to BB-	BBB1 to BB3	BBB+ to BB-	100%
4	B+ to D	B1 to C	B+ to D	B+ to D	B1 to D	B+ to D	150%
Unrated							100%

6.1 Credit Risk : Disclosure on risk weights under Standardised Approach

30 June 2026

Risk Weights	Exposures after Netting and Credit Risk Mitigation							
	Sovereigns & Central Banks (RM'000)	Banks, Development Financial Institutions & MDBs (RM'000)	Corporates (RM'000)	Regulatory Retails (RM'000)	Residential Mortgages (RM'000)	Other Assets (RM'000)	Total Exposures after Netting & Credit Risk Mitigation (RM'000)	Total Risk Weighted Assets (RM'000)
0%	3,485,106	-	2,628,311	-	-	-	6,113,417	-
20%	-	3,750,333	202,810	-	-	-	3,953,143	790,629
35%	-	-	-	-	-	-	-	-
50%	-	240,135	-	-	-	-	240,135	120,068
75%	-	-	-	-	-	-	-	-
100%	-	-	2,931,956	-	-	-	2,931,956	2,931,956
150%	-	-	-	-	-	-	-	-
Average Risk Weights	-	22%	52%	-	-	-	**29%**	**3,842,652**
Deduction from Capital Base	-	-	-	-	-	-		

31 Dec 2025

Risk Weights	Exposures after Netting and Credit Risk Mitigation							
	Sovereigns & Central Banks (RM'000)	Banks, Development Financial Institutions & MDBs (RM'000)	Corporates (RM'000)	Regulatory Retails (RM'000)	Residential Mortgages (RM'000)	Other Assets (RM'000)	Total Exposures after Netting & Credit Risk Mitigation (RM'000)	Total Risk Weighted Assets (RM'000)
0%	2,899,627	-	2,232,528	-	-	-	5,132,155	-
20%	-	2,472,458	319,699	-	-	-	2,792,157	558,431
35%	-	-	-	-	-	-	-	-
50%	-	203,381	-	-	-	-	203,381	101,691
75%	-	-	-	-	-	-	-	-
100%	-	-	2,713,653	-	-	-	2,713,653	2,713,653
150%	-	-	-	-	-	-	-	-
Average Risk Weights	-	22%	53%	-	-	-	**31%**	**3,373,775**
Deduction from Capital Base	-	-	-	-	-	-		

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6.2 Rated Exposures according to Ratings by ECAIs

30 June 2026 Exposure Class	Moody's S& P Fitch	Aaa to Aaa3 AAA to AA- AAA to AA- (RM'000)	A1 to A3 A+ to A- A+ to A- (RM'000)	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- (RM'000)	Ba1 to B3 BB+ to B- BB+ to B- (RM'000)	Caa1 to C CCC to D CCC to D (RM'000)	Unrated Unrated Unrated (RM'000)
On and Off Balance Sheet Exposures							
Sovereign/Central Banks	-	-	3,485,106	-	-	-	-
Total	**-**	**-**	**3,485,106**	**-**	**-**	**-**	**-**

30 June 2026 Exposure Class	Moody's S& P Fitch RAM MARC	Aaa to Aaa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA- (RM'000)	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A- (RM'000)	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB+ to BBB- BBB+ to BBB- (RM'000)	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B- (RM'000)	Caa1 to C CCC to D CCC to D C1 to D C+ to D (RM'000)	Unrated Unrated Unrated Unrated Unrated (RM'000)
On and Off Balance Sheet Exposures							
Banks, MDBs and DFIs	-	848,690	2,577,297	424,514	-	-	139,967
Corporates	-	202,810	-	-	-	-	5,560,267
Total	**-**	**1,051,500**	**2,577,297**	**424,514**	**-**	**-**	**5,700,234**

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6.2 Rated Exposures according to Ratings by ECAIs (continued)

31 Dec 2025

Exposure Class	Moody's S& P Fitch	Aaa to Aaa3 AAA to AA- AAA to AA- (RM'000)	A1 to A3 A+ to A- A+ to A- (RM'000)	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- (RM'000)	Ba1 to B3 BB+ to B- BB+ to B- (RM'000)	Caa1 to C CCC to D CCC to D (RM'000)	Unrated Unrated Unrated (RM'000)
On and Off Balance Sheet Exposures							
Sovereign/Central Banks	-	-	2,899,627	-	-	-	-
Total	**-**	**-**	**2,899,627**	**-**	**-**	**-**	**-**

31 Dec 2025

Exposure Class	Moody's S& P Fitch RAM MARC	Aaa to Aaa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA- (RM'000)	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A- (RM'000)	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB+ to BBB- BBB+ to BBB- (RM'000)	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B- (RM'000)	Caa1 to C CCC to D CCC to D C1 to D C+ to D (RM'000)	Unrated Unrated Unrated Unrated Unrated (RM'000)
On and Off Balance Sheet Exposures							
Banks, MDBs and DFIs	-	26,460	2,452,443	167,618	-	-	29,318
Corporates	-	319,699	-	-	-	-	4,946,181
Total	**-**	**346,159**	**2,452,443**	**167,618**	**-**	**-**	**4,975,499**

7.0 Credit Risk Mitigation

The Bank has established sound internal processes and procedures that support reliable valuation, adequate monitoring of the collateral's allocation and utilization, timely liquidation, marketability as well as identifying any potential encumbrances in securing control over the collateral. All processes and procedures are reviewed at least annually.
Credit risk identified during the risk identification process must be adequately assessed to mitigate/control the risk of loss. CCBM established a few methods in order to mitigate credit risks, such as lending criteria, collateral acceptance criteria, limits setting and loan covenants.

The repayment ability of the borrower is of paramount importance. The acceptance of acceptable collateral/securities must never be regarded as a substitute for repayment ability and collaterals are taken as secondary source of repayment in case the counterparty cannot meet its contractual obligations.
The acceptable collaterals/securities for CCBM are, but not limited to,

- Cash security
- Freely tradeable Malaysia Quoted Shares
- Freely tradeable Malaysia Government Securities
- Freely tradeable Corporate Bonds
- Residential, Commercial or Industrial Property
- Plant and machineries
- Motor vehicles, planes and vessels

Financing or loan may also be granted by the Bank on clean basis if the customer's risk profile is acceptable within the risk appetite of the Bank.

Guarantee support
Guarantee support is accepted as a risk mitigating measure to improve the risk profile of the borrower and to mitigate inherent risk. The Bank ensures proper assessment on the correlation between the value of collateral and the strength of the guarantor, vis-à-vis the creditworthiness of the original counterparty.
Guarantees that are recognised by the Bank include personal guarantee, corporate guarantee and bank guarantee. The strength of the guarantor is subject to the financial standing and internal credit rating model. The Bank has in place a sound and well-defined credit acceptance criteria for the guarantee support. While BNM guideline allow the bank to recognise the Corporate Guarantee as an eligible Credit Risk Mitigation intrument upon fulfilment of all eligibility condition, the bank has opted not to rely on this capital relief measure, in line with its conservative risk management stance.

The Bank does not apply any credit risk mitigation subsituition approach to its existing on and off- balance sheet corporate exposures under the Basel II Standardised Approach.

7.0 Credit Risk Mitigation (continued)

Loan structuring techniques to mitigate identified credit risks

Apart from the collateral requirement and guarantee support, the Bank emphasises sound structuring techniques to fulfil the financing requirements of the borrower while simultaneously attempting to protect the Bank against loss resulting from the failure of the borrower in repayment. These include but are not limited to loan/financing covenant, repayment schedule and preferred types of loans/facilities.

Simple Approach

CCBM adopts Simple Approach within the banking book on a consistent basis in granting credit facilities to customers. As at the reporting date, the main types of collateral obtained to mitigate credit risks are in the form of cash deposit and guarantee (bank and government).

In applying the credit risk mitigation, CCBM adopts clear and robust procedures for timely liquidation of collateral to ensure it meets minimum conditions for the Recognition of Credit Risk Mitigation Techniques, as guided by the BNM's guideline "Capital Adequacy Framework (Basel II – Risk-Weighted Assets)".

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7.1 Disclosure on Credit Risk Mitigation

The tables below illustrate the credit mitigation condition:

30 June 2026 **Exposure Class**	**Gross exposure before CRM (RM'000)**	**Exposures covered by guarantees/ credit derivatives (RM'000)**	**Exposures covered by eligible financial collateral (RM'000)**	**Exposures covered by other eligible collateral (RM'000)**
<u>Credit Risk</u>				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	3,485,106	-	-	-
Banks, development financial institutions and MDBs	3,593,120	-		-
Corporates	4,410,455	1,268,493	1,203,854	-
Regulatory retails	-	-	-	-
Residential mortgages	-	-	-	-
Higher risk assets	-	-	-	-
Other assets	-	-	-	-
Specialised Financing/ Investment	-	-	-	-
Equity exposures	-	-	-	-
Securitisation exposures	-	-	-	-
Defaulted exposures	-	-	-	-
Total On-Balance Sheet Exposure	**11,488,681**	**1,268,493**	**1,203,854**	**-**
Off-Balance Sheet Exposures				
OTC derivatives	463,547	-	-	-
Credit derivatives	-	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	1,286,423	-	155,963	-
Defaulted exposures	-	-	-	-
Total Off-Balance Sheet Exposure	**1,749,970**	**-**	**155,963**	**-**
Total On and Off Balance Sheet Exposures	**13,238,651**	**1,268,493**	**1,359,817**	**-**

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7.1 Disclosure on Credit Risk Mitigation (continued)

The tables below illustrate the credit mitigation condition:

31 Dec 2025 **Exposure Class**	**Gross exposure before CRM (RM'000)**	**Exposures covered by guarantees/ credit derivatives (RM'000)**	**Exposures covered by eligible financial collateral (RM'000)**	**Exposures covered by other eligible collateral (RM'000)**
<u>Credit Risk</u>				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	2,899,627	-	-	-
Banks, development financial institutions and MDBs	2,380,487	-		-
Corporates	4,095,179	1,335,925	613,143	-
Regulatory retails	-	-	-	-
Residential mortgages	-	-	-	-
Higher risk assets	-	-	-	-
Other assets	-	-	-	-
Specialised Financing/ Investment	-	-	-	-
Equity exposures	-	-	-	-
Securitisation exposures	-	-	-	-
Defaulted exposures	-	-	-	-
Total On-Balance Sheet Exposure	**9,375,293**	**1,335,925**	**613,143**	**-**
Off-Balance Sheet Exposures				
OTC derivatives	386,438	-	-	-
Credit derivatives	-	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	1,079,615	-	283,460	-
Defaulted exposures	-	-	-	-
Total Off-Balance Sheet Exposure	**1,466,053**	**-**	**283,460**	**-**
Total On and Off Balance Sheet Exposures	**10,841,345**	**1,335,925**	**896,603**	**-**

8.0 Off-balance sheet exposures and counterparty credit risk (CCR)

Off-Balance sheet exposures are measured according to counterparty credit limit granted. In the event where credit limit is insufficient or not granted, the Bank will require counterparty to provide collateral, typically cash.

Off-Balance Sheet exposures of the Bank are mainly composed of the following:
- Bank Guarantee and Standby Letter of Credit
- Documentary Letter of Credit
- Commitments to extend credit including the unutilised or undrawn portion of credit facilities
- Derivative financial instruments e.g. FX contracts, interest rate swaps, cross currency swaps

To mitigate the CCR, the creditworthiness of the counterparty is thoroughly assessed, coupled with the establishment and monitoring of credit limits for counterparty credit exposure that are in line and consistent with CCBM's overall credit risk strategies and appetites.

However, the Bank engages in netting and margining agreements with major trading counterparties to mitigate CCR. Under these arrangements, CCBM levies on collateral (cash only) from counterparty whenever the exposures exceed the minimum transfer amount agreed with the specific counterparty.

Off-balance sheet and CCR 30 June 2026 Description	**Principal Amount (RM'000)**	**Gross Positive Fair Value of Contracts (RM'000)**	**Credit Equivalent Amount (RM'000)**	**Risk Weighted Assets (RM'000)**
Direct credit subsitutes	34,350	-	34,350	34,350
Transaction related contingent items	494,750	-	247,375	147,492
Short term self-liquidating trade related contingencies	111,075	-	22,215	22,215
Foreign exchange related contracts				
One year or less	9,132,245	140,952	273,656	91,514
Over one year to five years	20,412	303	1,324	1,071
Over five years	765,852	2,305	86,548	86,548

8.0 Off-balance sheet exposures and counterparty credit risk (CCR) (continued)

Off-balance sheet and CCR 30 June 2026 Description	Principal Amount (RM'000)	Gross Positive Fair Value of Contracts (RM'000)	Credit Equivalent Amount (RM'000)	Risk Weighted Assets (RM'000)
Interest/Profit rate related contracts				
One year or less	75,000	157	344	172
Over one year to five years	360,000	-	14,400	7,200
Over five years	1,215,852	3,506	87,275	74,271
Equity related contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Credit derivatives contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions and credit derivatives contracts subject to valid bilateral netting agreements	-	-	-	-
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	137,691	-	27,538	27,538
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,909,890	-	954,945	855,798

8.0 Off-balance sheet exposures and counterparty credit risk (CCR) (continued)

Off-balance sheet and CCR 30 June 2026 Description	Principal Amount (RM'000)	Gross Positive Fair Value of Contracts (RM'000)	Credit Equivalent Amount (RM'000)	Risk Weighted Assets (RM'000)
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-	-	-	-
Unutilised credit card lines	-	-	-	-
Off-balance sheet items for securitisation exposures	-	-	-	-
Off-balance sheet exposures due to early amortization provisions	-	-	-	-
Total	**14,257,118**	**147,222**	**1,749,970**	**1,348,169**

8.0 Off-balance sheet exposures and counterparty credit risk (CCR) (continued)

Off-balance sheet and CCR **31 Dec 2025** **Description**	**Principal Amount** **(RM'000)**	**Gross Positive Fair Value of Contracts** **(RM'000)**	**Credit Equivalent Amount** **(RM'000)**	**Risk Weighted Assets** **(RM'000)**
Direct credit substitutes	4,361	-	4,361	4,361
Transaction related contingent items	378,687	-	189,344	74,963
Short term self-liquidating trade related contingencies	124,171	-	24,834	11,799
Foreign exchange related contracts				
One year or less	8,872,194	38,719	180,974	67,007
Over one year to five years	52,596	804	3,434	2,785
Over five years	770,852	4,528	89,322	89,322
Interest/Profit rate related contracts				
One year or less	-	-	-	-
Over one year to five years	75,000	57	807	404
Over five years	1,580,852	2,024	111,901	90,639
Equity related contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
Credit derivatives contracts				
One year or less	-	-	-	-
Over one year to five years	-	-	-	-
Over five years	-	-	-	-
OTC derivative transactions and credit derivatives contracts subject to valid bilateral netting agreements	-	-	-	-

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8.0 Off-balance sheet exposures and counterparty credit risk (CCR) (continued)

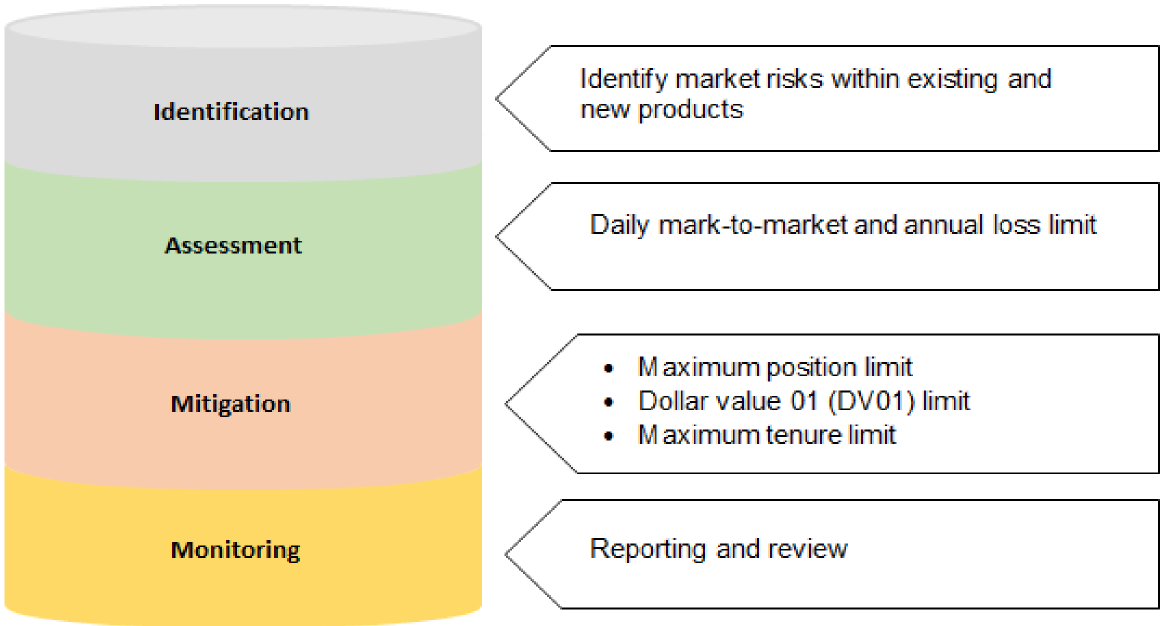
Off-balance sheet and CCR 31 Dec 2025 Description	Principal Amount (RM'000)	Gross Positive Fair Value of Contracts (RM'000)	Credit Equivalent Amount (RM'000)	Risk Weighted Assets (RM'000)
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	85,556	-	17,111	17,111
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,687,931	-	843,966	648,937
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	-	-	-	-
Unutilised credit card lines	-	-	-	-
Off-balance sheet items for securitisation exposures	-	-	-	-
Off-balance sheet exposures due to early amortization provisions	-	-	-	-
Total	**13,632,201**	**46,133**	**1,466,054**	**1,007,326**

9.0 Securitisation

CCBM does not engage in securitisation activities.

10.0 Market Risk

The market risk management process is depicted as follows:



Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices in the Trading book. Market risk is also applicable to the Investment book, where CCBM invests in bonds, money market instruments and derivatives.

The RMC is responsible for leading the establishment of market risk management policies and rules, developing market risk measurement tools, monitoring and reporting the market risk. In addition, the Assets and Liabilities Committee ("ALCO") is responsible for managing interest rate risk, exchange rate risk and the size and structure of the Bank's assets and liabilities in response to market conditions.

The Bank's interest rate risk mainly comprises repricing risk and basis risk arising from mismatch of term structure and pricing basis of assets and liabilities. The Bank uses multiple tools such as repricing gap analysis, sensitivity analysis, scenario analysis and stress testing, etc. to monitor the interest rate risk on regular basis.

10.0 Market Risk (continued)

The Bank's foreign exchange exposure mainly comprises exposures from customers driven portfolios and the subordinated loan, and manages this risk by entering into offsetting transactions with other banks and non-bank financial institutions.

The BOD has the ultimate responsibility to ensure that market risks are properly governed and managed within CCBM, as well as deciding on the overall framework for management and controlling market risks. The ALCO and RMC are responsible in reviewing the development of market risk management policies, defining the strategies and ensuring the outcomes are aligned with the Bank’s business strategies.

The RMD plays a key role in supporting and guiding the business units in the implementation of CCBM’s market risk management policy and tools, particularly in promoting and inculcating market risk awareness culture across the Bank.

Financial Markets Division is responsible for daily management of the interest rate and foreign currency position of CCBM within the predetermined limits and is responsible for initiating all required hedging transactions. The internal audit division is responsible for providing ongoing focus on the internal control system and periodic reviews, i.e. regular review of the market risk management processes, in compliance with approved policies.

Among the methods adopted in the monitoring and management of market risk are portfolio analysis, limits setting, open position monitoring and stress testing. Any anomalies observed will be discussed with the front office and where relevant escalated to Senior Management for exception management.

For capital requirement, the Bank has adopted the Standardised Approach.

Capital Charge Requirement	**30 June 2026 (RM'000)**	**31 Dec 2025 (RM'000)**
Interest rate risk	116	245
Equity position risk	-	-
Foreign exchange risk	27,745	22,699
Commodity risk	-	-
Others	-	-
Total capital charge requirement	27,861	22,944
Total RWA for Market Risk	**348,262**	**286,801**

11.0 Liquidity Risk

Liquidity risk is the risk that occurs when the Bank cannot obtain sufficient funds in time and at a reasonable cost to repay debts when they are due, fulfil other payment obligations, or meet the other funding needs in its regular business.

The Bank's objective for liquidity risk management is to ensure the Bank's payment and settlement security and maintain an optimal balance between liquidity position and profitability.

The Board is ultimately responsible for liquidity risk management framework, review and approve the liquidity risk appetite. Asset Liability Management Committee ("ALCO"), one of the set-up committee under the Board, plays a dominant role to establish strategies in controlling and reducing any potential exposures to liquidity risk. Daily liquidity management is performed by Financial Markets Division and it is to ensure proper execution of liquidity risk management actions based on management's decisions. Risk Management Committee ("RMC") is set up under BRMC to approve liquidity risk management policies and limits as well as regular monitoring against liquidity risk limits. Risk Management Division is responsible for the daily monitoring of the liquidity risk positions and monthly submission of the liquidity related reports to BOD, BRMC, ALCO and RMC.

The Bank maintains a robust liquidity profile to comply with internal measures that adhere to the best market practices as guided by BNM liquidity standard. This encompasses Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR"). The Bank maintains healthy LCR, on average 12-month observation periods, at 151.91% and it is well above BNM minimum requirement of 100%. In addition, the Bank also uses other internal liquidity risk measurements tools including cashflow analysis, remaining contractual maturities and deposit concentration analysis.

Liquidity stress testing is performed periodically to gauge the Bank's risk tolerance in adverse situation. The stress scenarios cover baseline scenario, exceptional but plausible scenario and worst-case scenario. The liquidity positions will be stressed by applying a set of prescribed stress assumptions. This exercise will ensure sufficient growth of high-quality liquid assets as well as sticky deposits to maintain sufficient liquidity buffer which allow the Bank to survive in a significant stress event.

The Bank has developed Contingency Funding Plan ("CFP") that serves as a guidance on managing liquidity crisis. It sets out strategies to identify the occurrence of a liquidity event and procedures to address such an emergency situation if it occurs. Early warning indicators are used to identify any emerging liquidity risk at early stage.

12.0 Operational Risk

Operational Risk is defined as the risk of incurring losses arising from inadequate or failed internal processes, people and systems or from external events. It includes a wide spectrum of heterogeneous risks such as fraud, physical damage, business disruption, transaction failures, legal and regulatory breaches as well as employee health and safety hazards.

The RMC is responsible for developing the operational risk management policies, framework and methodologies, and put in place operational risk management tools such as key risk indicators, and incident and loss event management. The Bank adopts the 3-lines of defence model for holistic oversight on operational risk management.

The Bank carries out periodical risk assessment and business impact analysis and has established its business continuity and disaster recovery plans which are subject to regular testing.

The Bank has established risk appetite to monitor and control operational risk lapses including those related to system availability.

The BOD is responsible for the oversee of all risks of CCBM including any operational risk that arises and ensure that operational risks are properly governed and managed within CCBM. The BRMC is responsible for, and provides the overall direction and supervision for the operational risk management of CCBM. Senior Management is responsible to ensure that all necessary risk management tools, methodologies, policies, operational manuals and technology infrastructure are in place and applied through the combination of top-down and bottom-up approach in risk identification and assessment methodologies.

The RMD plays a key role in supporting and guiding the business/ support units in the implementation of CCBM's operational risk management policy and tools, particularly in promoting and inculcating operational risk awareness culture across the Bank. Regular operational risk reporting is submitted to Senior Management and BOD on timely basis.

The Bank currently adopts Basel III Standardised Approach for the computation of Operational Risk Weighted Assets (ORWA) which is in line with BNM's guidelines.

13.0 Interest Rate Risk in the Banking Book

Interest rate risk in the Banking Book (“IRRBB”) is the risk to earnings or capital arising from movement of interest rates. In order to maintain interest rate risk at prudent level, it is essential for CCBM to maintain an effective measurement system.

The Senior Management is responsible for establishing the interest rate risk framework and provides input to assist the BOD in discharging its oversight responsibilities. Management Committees i.e. Assets and Liabilities Committee (“ALCO”) and the Risk Management Committee (“RMC”) are responsible for reviewing the development of risk management policies, defining the strategies and ensuring the risk management outcomes are aligned with the Bank’s business strategies.

In monitoring the Bank’s earnings based on interest rate risk framework, the Bank uses the re-pricing gap analysis as the primary tool. The rate sensitive assets and liabilities are profiled based on the re-pricing dates and the impact is derived accordingly. The monitoring is focused on the risk arising from interest rates settled on liabilities which differ from offsetting assets in the respective repricing/maturity periods.

In addition, the Bank is also monitoring the re-pricing risk arising from repricing/maturity in timing differences for floating-rate and fixed-rate bank assets, liabilities and off-balance-sheet positions.

The primary tool is also used to monitor the interest rate risk impact on the net assets value is the economic value of equity (“EVE”) analysis.

13.0 Interest Rate Risk in the Banking Book (continued)

Interest rate risk in the banking book is computed based on the projection made with the assumption that interest rate moves up and down parallel by 100 basis points ("bps") across all maturities buckets for all the interest bearing assets and liabilities. The loan profile was projected based on earlier of its repricing tenor or final maturity date.

30 June 2026 Currency	Increase/(Decrease) in Economic Value		Increase/(Decrease) in Earnings	
	+100 bps (RM'000)	-100 bps (RM'000)	+100 bps (RM'000)	-100 bps (RM'000)
MYR	(33,472)	33,472	8,045	(8,045)
USD	(1,760)	1,760	(5,130)	5,130
CNY	11,243	(11,243)	9,342	(9,342)
EUR	25	(25)	18	(18)
SGD	17	(17)	17	(17)
Others	-	-	2	(2)
Total	**(23,947)**	**23,947**	**12,294**	**(12,294)**

31 Dec 2025 Currency	Increase/(Decrease) in Economic Value		Increase/(Decrease) in Earnings	
	+100 bps (RM'000)	-100 bps (RM'000)	+100 bps (RM'000)	-100 bps (RM'000)
MYR	(37,557)	37,557	3,274	(3,274)
USD	1,088	(1,088)	(1,581)	1,581
CNY	8,687	(8,687)	7,394	(7,394)
EUR	43	(43)	30	(30)
SGD	3	(3)	6	(6)
Others	-	-	-	-
Total	**(27,736)**	**27,736**	**9,123**	**(9,123)**

14.0 Internal Capital Adequacy Assessment Process (ICAAP)

Internal Capital Adequacy Assessment Process ("ICAAP") has been well established within China Construction Bank (Malaysia) Berhad ("CCBM") to assess its overall capital adequacy in relation to its overall risk profile and business growth strategy. ICAAP is a Pillar 2 process where CCBM conducts internal capital adequacy requirements under 3-years forward looking scenarios. The Bank's ICAAP is guided by the ICAAP framework detailing the roles and responsibilities, approaches, and methodologies for identifying and measuring risks. Stress testing, governance and capital planning are also part of the process. In addition, an independent party is appointed to review the process. It is acknowledged that not all risks can be fully mitigated through capital and therefore, rigorous managerial oversight and strong governance practices support effective risk mitigations. This process seeks to ensure that CCBM maintains sufficient capital at all times, plans for all future capital requirements and at the same time, maintains adequate governance and monitoring over its material risks.

The Stress Testing scenarios are baseline, exceptional but plausible and worst case. These scenarios incorporate the Bank's 3 years business plan and forward looking macro-economic conditions. This exercise enables the Bank to have an insight into its risk profile and allows it to implement mitigation measures.

The Stress Testing analysis contained herein will be updated and shared with CCBM's Risk Management Committee ("RMC") for deliberations and also presented to CCBM's Board Risk Management Committee ("BRMC") and Board of Directors ("BOD") for approval.

Risk Assessment
CCBM has undertaken a comprehensive risk identification and assessment to evaluate various risks that the Bank is facing and ensure adequate capital is held commensurate with the identified material risks. CCBM has established quantitative and qualitative methodologies to assess each risk to determine its materiality.

Risk Appetite Statements ("RAS") provides elaboration on the setting of the risk appetite for the Bank along with details on the risk appetite metrics. The proposed risk appetite metrics are discussed and deliberated thoroughly with various stakeholders prior to the endorsement by RMC and subsequently recommended to BRMC for BOD's approval.

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CHIEF EXECUTIVE OFFICER ATTESTATION

In accordance with Bank Negara Malaysia's Risk Weighted Capital Adequacy Framework (Basel II) – Disclosure Requirements (Pillar 3), I hereby attest that to the best of my knowledge, the disclosures contained in China Construction Bank (Malaysia) Berhad Pillar 3 Disclosure report for the financial period ended 30 June 2026 are consistent with the manner the Bank assesses and manages its risk, accurate, complete and not misleading in any particular way.

Peng AnPing
Managing Director/ Chief Executive Officer
Date : 31 Jul 2026