

5 SUSTAINABILITY STATEMENT





Sustainable **FINANCE,** Tangible **IMPACT**

In 2024, Bank Muamalat provided over RM1 million in financing to 25 corporate customers demonstrating exceptional environmental, social, and governance (ESG) performance. This reflects an unwavering commitment to ethical investments and responsible growth.

ESG

ABOUT OUR SUSTAINABILITY STATEMENT



This Sustainability Statement presents a comprehensive overview of Bank Muamalat's sustainability strategy, guiding principles, key initiatives, and performance for the financial year 2024. It serves to update stakeholders on our sustainability efforts across all core business units and operations.

SCOPE AND BOUNDARIES

This Report covers the Bank's sustainability progress and performance across its operations within Malaysia.

FRAMEWORK AND GUIDELINES

The disclosures in this Report are prepared in accordance with both local and international standards and guidelines, including:

- Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements ("MMLR").
- Bursa Malaysia's Sustainability Reporting Guide 3rd Edition ("Guide").
- Global Reporting Initiative ("GRI") 3rd edition.
- Malaysian Code on Corporate Governance 2021 ("MCCG 2021").

SUSTAINABILITY @ BANK MUAMALAT

OUR APPROACH TO SUSTAINABILITY

The Bank's vision places sustainable development at the heart of what we do

In 2024, sustainability continued to gain strong traction across Bank Muamalat, shaping key policy directions and becoming an integral part of our core business decision-making. Awareness of the environmental, social and governance (ESG) agenda has deepened across departments, with increasing recognition that every individual contributes to advancing the Bank's sustainability journey. This collective momentum is reflected in measurable improvements across the sustainability indices to which we are benchmarked. We are encouraged by the growing engagement from our stakeholders and remain committed to transparent communication on our ESG risks, commitments and progress.

At Bank Muamalat, we view sustainability as a strategic enabler for a better future not only for the organisation but also for the broader society and economy. Our approach is grounded in the belief that as a responsible and ethical institution, we must meet financial needs in a manner that enhances the well-being of all stakeholders. Guided by Islamic values, we continue to pursue meaningful and lasting impact. We see ourselves as catalysts for positive change by championing inclusive growth, strengthening the real economy, uplifting communities and supporting environmental stewardship. Through our purpose-driven approach, we aim to create equitable opportunities, enhance socio-economic resilience and contribute to national development.

In line with our long-standing commitment to Shariah-compliant sustainable finance, we continue to be guided by the Value-based Intermediation (VBI) strategy introduced by Bank Negara Malaysia. We apply the Value-based Intermediation Assessment Framework (VBIAF) in our product development to ensure our offerings are aligned with the intended outcomes of Shariah and contribute meaningfully to sustainability. During the year, Bank Muamalat made substantial progress in strengthening its approach to climate risk. We further advanced our Climate Risk Framework to align with regulatory expectations. We also conducted a comprehensive ESG assessment and gap analysis of our existing risk management framework to enhance the integration of climate-related considerations across our operations and offerings.

In 2024, the Bank has focused on building internal readiness for Climate Risk Stress Testing (CRST), as required by Bank Negara Malaysia. This includes strengthening data capabilities, enhancing scenario analysis methodologies and aligning internal frameworks to support the upcoming submission in 2025. These efforts are essential in embedding climate risk into our overall risk management practices and ensuring the long-term resilience of the Bank.

Our participation in national and global sustainability platforms remains strong. As active members of Bank Negara Malaysia's Committee of Practitioners for VBI and the Global Alliance for Banking on Values (GABV), we continue to play a leading role in promoting sustainable finance. We have deepened our focus on Social Finance, expanding our value-based offerings to serve underserved communities. At the same time, we remain aligned with the Climate Change and Principle-based Taxonomy (CCPT), reinforcing our support for a resilient financial sector and a just transition to a low-carbon economy.



SUSTAINABILITY @ BANK MUAMALAT

SUSTAINABILITY OBJECTIVES

We continue to advance our commitment to the United Nations Sustainable Development Goals (SDGs), which represent a universal call to action to end poverty, protect the planet, and promote peace and prosperity for all. The 17 interconnected goals align closely with our initiatives to improve social well-being, foster inclusive economic development, and safeguard the environment.

In 2024, we broadened our focus to include additional areas of impact, reflecting the expanding scope of our sustainability efforts. This progression underscores our commitment to addressing critical societal challenges,

including those related to financial access, livelihood development, and community resilience. Through our initiatives, we contribute to national and global efforts aimed at building a more inclusive, equitable, and sustainable future.

We play an active role in supporting these global ambitions by enhancing the lives and livelihoods of Malaysians, focusing on sustainable growth, responsible practices, and inclusive participation. These efforts reinforce Malaysia's contribution to the collective journey of building resilient societies and protecting the planet for future generations.



Methodology on UN SDG Alignment:

we focus on the goals most closely aligned with our business activities and spheres of influence. Each of the 17 SDGs and their underlying targets were carefully reviewed to identify where we can deliver the greatest value. From this assessment, we selected seven key goals that best represent our sustainability priorities and long-term strategic direction. As a result, we have identified the following priority SDGs, as shown:



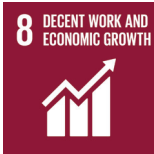
Ensure everyone has access to sufficient income and essentials for a decent life



Provide access to enough healthy and nutritious food for all



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



Reduce inequality within and among countries



Ensure sustainable consumption and production patterns



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

SUSTAINABILITY FRAMEWORK

At Bank Muamalat, sustainability is deeply rooted in the principles of Maqasid Shariah, guiding every aspect of the Bank's approach and reinforcing a commitment to ethical and responsible stewardship that benefits all stakeholders.

True success is viewed not only in terms of financial performance but also through meaningful social and environmental impact. Bank Muamalat strives to create enduring value for present and future generations. This commitment goes beyond compliance, reflecting a purposeful journey toward a resilient, inclusive, and just society.

The foundation of Bank Muamalat's sustainability commitment lies in its Sustainability Framework, which is structured to align with Economic, Environmental, Social and Governance (EESG) principles as well as Value-based Intermediation (VBI). This framework ensures that business practices support long-term economic prosperity while upholding environmental responsibility and advancing social well-being.

The framework translates these values into practical actions, aligning governance, operations, and risk management with the Bank's vision for long-term, balanced growth.



STAKEHOLDER ENGAGEMENT

THE SIGNIFICANCE OF STAKEHOLDER ENGAGEMENT

At Bank Muamalat, we recognise the critical role that stakeholder engagement plays in driving sustainable success. We prioritise meaningful and constructive dialogue with our stakeholders for several key reasons:

- Enhanced Understanding**
Engaging with stakeholders offers valuable insights into how our operations affect them and their environments. This deeper understanding helps us make well-informed decisions that align with our business objectives and maximise positive outcomes.
- Better Decision-Making**
By actively considering stakeholders’ views, we are able to identify the most appropriate actions from their perspective. This ensures our initiatives resonate with stakeholders and generate meaningful impact.
- Building Trust**
Establishing and maintaining trusted relationships with our stakeholders is essential. We acknowledge that trust is the foundation of successful partnerships and is crucial to driving lasting, positive change.

INCLUSIVE PERSPECTIVES FOR EFFECTIVE SUSTAINABILITY

Incorporating diverse stakeholder perspectives enables us to gain a comprehensive understanding of issues, which strengthens our ability to develop effective sustainability strategies. This broad insight forms the cornerstone of our business approach, fostering trust and support that are vital for the Bank’s transformation and long-term success.

STAKEHOLDER ENGAGEMENT PROCESS

We conducted a thorough stakeholder engagement process to identify and validate the sustainability-related interests of each group. Our approach was guided by two main factors:

- Level of Influence**
Assessing the degree of impact stakeholders have on our business.
- Level of Dependence**
Evaluating how much stakeholders rely on our business.

Through this process, we identified six priority stakeholder groups:

 Shareholders and Investors	 Customers	 Business Partners
 Regulatory Agencies and Statutory Bodies	 Local Communities	 Employees

Our comprehensive stakeholder engagement demonstrates our commitment to fostering a sustainable and prosperous future for all, while ensuring compliance with regulatory requirements and industry standards. As a responsible financial institution, we strive not only to meet but to exceed these standards, reinforcing our dedication to ethical and sustainable banking practices.



SHAREHOLDERS & INVESTORS

Purpose of Our Engagement:

- Establish transparent and timely communication with stakeholders, fostering trust and confidence in our organisation and facilitating informed investment decisions
- Actively seek input from stakeholders on their investment preferences and expectations, ensuring our strategies align closely with their needs and maintaining sustainable access to capital

Stakeholders' Expectations:

- Implementing sustainable and long-term business strategies alongside prudent cost management to ensure sustainable financial returns
- Proactively managing asset quality and credit risks, particularly in high carbon emitting sectors
- Maintaining sound balance sheet management practices to uphold financial stability
- Integrating elements of value-based intermediation into our business operations to promote ethical and sustainable practices
- Upholding ethical and responsible business conduct as core principles
- Benefitting from strong and experienced management leadership
- Committing to transparent reporting and disclosure practices
- Implementing initiatives to adopt sustainability practices

Related Material Matter:

- M1 Economic Performance
 M3 Carbon Management
 M10 Financial Inclusion
- M12 Responsible Financing
 M14 Ethics and Integrity

Our Engagement Approach:

- Annual reports
- Sustainability statements
- Financial announcements
- Online communications: emails, corporate website, and social media
- Meetings and discussions

Responses:

- Sustainable business strategies, prudent cost management for sustainable financial returns
- Proactive management of asset quality and credit risks from exposure to sectors affected by the pandemic
- Sound balance sheet management
- Integration of Value-based Intermediation elements in business operations.
- Ethical and responsible business conduct
- Strong and experienced management
- Transparent reporting and disclosure
- Sustainability practices across the Bank

Related UN SDGs:



CUSTOMERS

Purpose of Our Engagement:

- Engage stakeholders to understand their needs and expectations thoroughly, identifying areas for improvement in our service delivery
- Champion financial literacy initiatives aimed at empowering stakeholders to make well-informed financial decisions

Stakeholders' Expectations:

- Innovative financial solutions, products, and services
- Convenient, continuous, and safe access to banking services
- Convenient and transparent value-for-banking products and services
- Secured and safe environment with strict data protection for conducting banking activities, particularly through digital channels
- Excellent customer service
- Financial assistance that can ease their financial burden

Related Material Matter:

- M1 Economic Performance
 M2 Entrepreneur Development
 M3 Carbon Management
 M6 Employment
- M10 Financial Inclusion
 M11 Customer Experience
 M12 Responsible Financing

Our Engagement Approach:

- Branch representatives
- Digital touchpoints: Internet banking and digital applications
- Online communications: Emails, corporate website, and social media
- Customer service centers
- Call centers
- Customer networking events
- Printed materials
- Customer survey

Responses:

- Developed innovative financial solutions, products, and services to meet customers' financial needs
- Enhanced touchpoints, both physical and digital, to maximise customer satisfaction
- Improved processes to deliver operational excellence and efficiency
- Drove service excellence through skilled and trained customer service personnel
- Enhanced end-to-end cyber response and simulation plans to ensure cyber resilience and continuously improve IT security
- Provided continuous awareness through online communication and digital touchpoints to educate customers and employees on potential fraud and scams
- Implemented strict standard operating procedures to ensure customers' safety at branches

Related UN SDGs:



STAKEHOLDER ENGAGEMENT



BUSINESS PARTNERS

Purpose of Our Engagement:

- To ensure mutual understanding and alignment of goal, objectives, and expectations for better collaboration, more efficient operations, and improved customer service

Stakeholders' Expectations:

- Fair and equal evaluation of vendors and their proposals
- Fair conditions for both vendors and the Bank
- Effective and timely communication on new policies, guidelines, or strategies to ensure optimal performance
- Transparent reporting and disclosure to ensure smooth collaboration with potential partners

Related Material Matter:

- Economic Performance
 Carbon Management
 Financial Inclusion
- Responsible Financing
 Procurement Practices

Our Engagement Approach:

- Online communications: Emails, corporate website, and social media
- Formal and informal engagements
- e-Procurement system

Responses:

- Supported local vendors
- Provided convenient access to procurement systems
- Conducted engagement sessions to ensure vendors' understanding of the procedures, processes, guidelines, and expectations of deliverables and their quality
- Ensured fair procurement practices and transparent vendor selection
- Established a dedicated tender committee to ensure the objectives of the engagements are achieved

Related UN SDGs:



REGULATORY AGENCIES & STATUTORY BODIES

Purpose of Our Engagement:

- Ensure the Bank stays updated on changes and developments that affect the sector, maintains operational efficiency, and complies with legal and regulatory requirements
- Collaborate and participate in policy formulation and national development initiatives that have a positive impact on the overall economy

Stakeholders' Expectations:

- Compliance with all legal and regulatory requirements
- Good corporate governance
- Transparent reporting and disclosures
- Participation and contribution to industry and regulatory working groups

Related Material Matter:

- Economic Performance
 Carbon Management
 Financial Inclusion
- Responsible Financing
 Ethics and Integrity

Our Engagement Approach:

- Online communications: Emails, corporate website, and social media
- Formal and informal engagements
- e-Procurement system

Responses:

- Continuously updated our systems and processes to meet current compliance and risk requirements
- Ensured compliance delivery, risk management, and governance that meet regulatory requirements
- Integrated Value-based Intermediation elements into risk management practices
- Ensured timely and transparent reporting to regulatory agencies and statutory bodies
- Actively participated in value-based intermediation working groups to develop a sectoral guide
- Actively participated in Climate Change and Principle-based Taxonomy (CCPT) working groups to adopt Due Diligence Questions
- Actively participated in the Climate Change and Principle-based Taxonomy (CCPT) Subgroup for Small Medium Enterprises (SMEs), leading the development of sectoral guides tailored for high-emitting carbon sectors within the SMEs sector

Related UN SDGs:





LOCAL COMMUNITY

Purpose of Our Engagement:

- Positively impact our communities through access to financing, service offerings, social initiatives, and community programmes
- To stay connected to developments and trends related to our operations to enhance our relevance in the communities we serve

Stakeholders' Expectations:

- Financial and value-based intermediation literacy awareness
- Efforts in tackling common EES issues
- Feasible and convenient access to advisory on suitable financial solutions
- Efforts in building a resilient and thriving community

Related Material Matter:

- M3 Carbon Management
 M4 Water Management
 M5 Waste Management
M9 Community Development
 M10 Financial Inclusion

Our Engagement Approach:

- Community engagement activities
- Online communications: Emails, corporate website, and social media
- Digital touchpoints: Mobile applications, Internet banking, and SMS blasts
- Printed materials

Responses:

- Collaborated with various state religious councils and government agencies to address the needs of the local communities
- Provided access to advisory on suitable financial solutions through digital channels
- Extended financial relief assistance
- Continuously implemented corporate social responsibility initiatives

Related UN SDGs:



EMPLOYEES

Purpose of Our Engagement:

- To ensure clear communication of the Bank's vision for effective execution and delivery of strategies
- To address their concerns and keep them engaged and motivated

Stakeholders' Expectations:

- Fair remuneration, recognition, and effective performance management
- Balanced work-life environment
- Opportunities for career development and advancement
- An empowering environment that embraces diversity and enables employees to deliver quality work output
- A safe, healthy, and conducive workplace supported by flexible work practices

Related Material Matter:

- M3 Carbon Management
 M4 Water Management
 M5 Waste Management
 M6 Employment
M7 Diversity and Equal Opportunity
 M8 Training and Education
 M14 Ethics and Integrity

Our Engagement Approach:

- Internal portal and emails
- Social and recreational activities
- Employee engagement surveys and programmes
- Employee performance reviews

Responses:

- Enhanced task delegation and improves employee performance management
- Provided employee remuneration
- Strengthened employee learning and career development programmes to equip them with essential skills for them to be competitive with other peers in the industry
- Conducted employee engagement and employee satisfaction surveys
- Developed a career development plan framework and apprenticeship programme

Related UN SDGs:



STAKEHOLDER ENGAGEMENT

MEMBERSHIPS & ASSOCIATIONS

The Bank actively participates in various associations and memberships to share resources and gain industry insights into sustainability best practices. These platforms provide opportunities to exchange ideas, knowledge, and experiences on enhancing positive impact and building long-term resilience.

Association	Our Role & Contributions
Association of Islamic Banking and Financial Institutions Malaysia (AIBIM)	• Help represent the voice of the Islamic Finance industry, underpinning the value-based intermediation thrust in serving the community
Global Alliance for Banking on Values (GABV)	• GABV promotes the adoption of sustainable banking practices among its member banks. This includes integrating environmental, social, and governance (ESG) criteria into banking operations, supporting community development, and fostering financial inclusion • GABV provides capacity-building initiatives, such as training programmes and workshops, to help member banks enhance their capabilities in sustainable banking practices, ESG integration, and impact measurement
Joint Committee on Climate Change (JC3)	• Support collaborative initiatives aimed at building climate resilience within the financial sector • Work alongside financial institutions to strengthen industry capacity through the exchange of knowledge, expertise, and best practices in managing climate-related risks • Contribute to identifying key issues and priorities for the financial sector in navigating the transition to a low-carbon economy • Engage with stakeholders to advance coordinated and practical solutions to climate-related challenges • Actively involved in CCPT Implementation Group contributing to cross-industry alignment and effective adoption of the taxonomy • Led the CCPT Sub-Focus Group for SMEs in the publication of the SMEs Guidance Notes covering six high-emitting carbon sectors
Community of Practitioners (CoP) of Bank Negara Malaysia's Value-Based Intermediation (VBI)	• Actively contribute to the development of the industry's VBI scorecard, framework, guidelines and strategy • Actively contribute to the enhancement of the industry's VBI scorecard, framework, guidelines, and strategic direction • Led the enhancement of the Energy Efficiency sectoral guidance paper, aligning with national sustainability priorities and industry needs
General Council for Islamic Banks and Financial Institutions (CIBAFI)	• Actively support the advancement of Islamic finance on a global scale • Enhance the Bank's commitment to ethical banking, financial inclusion, and sustainable development, while fostering innovation and growth within the Islamic financial services industry

SUSTAINABILITY MATTERS

MATERIALITY ASSESSMENT METHODOLOGY

As a responsible financial institution committed to sustainability, Bank Muamalat recognises the importance of identifying and prioritising the material issues that are most relevant to our stakeholders and business operations. Our goal is to create long-term value while addressing short- and medium-term concerns by focusing on matters that significantly influence our economic, environmental, social and governance (EESG) impact.

To guide this process, we have adopted a structured three-step materiality assessment approach. This methodology allows us to pinpoint key sustainability matters that affect our operations, financial performance, and contributions to stakeholders. By doing so, we ensure that our sustainability reporting remains transparent, accountable, and focused on issues that matter most.

In 2024, we conducted this process through a comprehensive 3-stage assessment to better align with evolving stakeholder expectations and our business strategy.

Our 3-stage assessment includes:

Identify

We begin by reviewing previously identified material topics and analysing current trends and emerging issues. This includes engaging with stakeholders to gather their insights, expectations, and concerns, as well as referring to sectoral benchmarks and industry best practices.

Evaluate

The identified matters are then assessed based on their relevance to our stakeholders and their potential impact on the Bank. This evaluation is guided by established standards such as Bursa Malaysia's Main Market Listing Requirements.

Prioritise

Finally, we prioritise these issues by considering their significance to both our business objectives and stakeholder interests. This ensures our focus remains on the areas with the highest impact, aligning our sustainability efforts with what truly matters.

OUR IDENTIFIED MATERIAL MATTERS AND OUR COMMITMENT TO THEM

Taking into account the UN SDGs, the Bank has identified the most significant material matters for our business and stakeholders under the EESG pillars as follows:



ECONOMY

Material Matter	Our Commitment	Relevant Goal and Standard
M1 Economic Performance	Align the Bank's strategic directions, business, and operations	Goal:  
M2 Entrepreneur Development	Develop strategies and initiatives to help the underserved segments that drive the local economy, i.e., micro, small, and medium- sized enterprises and entrepreneurs	Standard: - GRI-103: Management Approach 2016 - GRI-201: Economic Performance 2016

SUSTAINABILITY MATTERS



ENVIRONMENT

Material Matter	Our Commitment	Relevant Goal and Standard
M3 Carbon Management	Managing and reducing greenhouse gas emissions to support the Bank's climate commitments and improve operational efficiency	Goal:  Standard: - GRI 306: Waste - GRI-302: Energy 2016 - GRI-303: Water and Effluents 2018 - GHG Protocol
M4 Water Management	Ensuring efficient use and conservation of water resources within Bank operations to minimise risk and support sustainability goals	
M5 Waste Management	Implementing effective waste reduction, recycling, and disposal practices to lessen environmental impact within the Bank	



SOCIAL

Material Matter	Our Commitment	Relevant Goal and Standard
M6 Employment	- Enhance hiring, recruitment, and retention processes to attract and retain top talent - Develop and implement programmes to support employee well-being, including physical and mental health, work-life balance, and career development opportunities	Goal:     Standard: - GRI-103: Management Approach 2016 - GRI-401: Employment 2016 - GRI-403: Occupational Health and Safety 2018 - GRI-404: Training and Education 2016 - GRI 416: Customer Health and Safety - GRI 418: Customer Privacy - FS7: Monetary Value of Products and Services Designed to Deliver a Specific Social Benefit for Each Business Line Broken Down by Purpose - FS13: Access Points in Low- Populated or Economically Disadvantaged Areas by Type - FS14: Initiatives to Improve Access to Financial Services for Disadvantaged People
M7 Diversity and Equal Opportunity	- Ensure equal treatment and fair evaluation of employees based on individual merit - Prevent all forms of discrimination and harassment in the workplace	
M8 Training and Education	Develop and equip employees with necessary knowledge and skills through training and education programmes	
M9 Community Development	- Empower communities through sustainable development programmes that create positive impacts - Collaborate with communities to identify their needs and design programmes accordingly - Foster economic growth and social well-being through community development initiatives	
M10 Financial Inclusion	Develop affordable and accessible products and services to promote financial inclusion in the nation	
M11 Customer Experience	Providing responsive, fair, and high-quality customer service is essential to maintaining trust and satisfaction	



GOVERNANCE

Material Matter	Our Commitment	Relevant Goal and Standard
M12 Responsible Financing	- Financing practices are guided by principles that integrate ESG considerations - Credit decisions are made with an emphasis on responsible outcomes, ensuring that financial services contribute to long-term positive impacts and avoid adverse effects on people and the planet	Goal:    Standard: - GRI 201: Economic Performance - GRI 204: Procurement Practices - GRI 205: Anti-corruption - Malaysian Anti-Corruption Commission (MACC) Act - ISO 37001: Anti-Bribery Management System - ISO 20400: Sustainable Procurement - Bank Negara Malaysia's Corporate Governance Policy - IFSB-15: Revised Capital Adequacy Standard
M13 Procurement Practices	Engaging suppliers who demonstrate compliance with sustainability principles, ethical labour practices, and responsible production standards	
M14 Ethics and Integrity	- All operations are conducted in accordance with high ethical standards and regulatory expectations - Zero tolerance is maintained for bribery and corruption, with strong internal controls to reinforce accountability, transparency, and trustworthiness	



SUSTAINABILITY GOVERNANCE

FUNCTIONS AND DECISION MAKING

Establishing a strong sustainability governance structure is essential to managing material ESG issues effectively across the organisation. At Bank Muamalat, sustainability oversight is embedded within the corporate governance framework to ensure clarity of roles, avoid duplication, and promote strategic alignment.

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Leadership from the Top

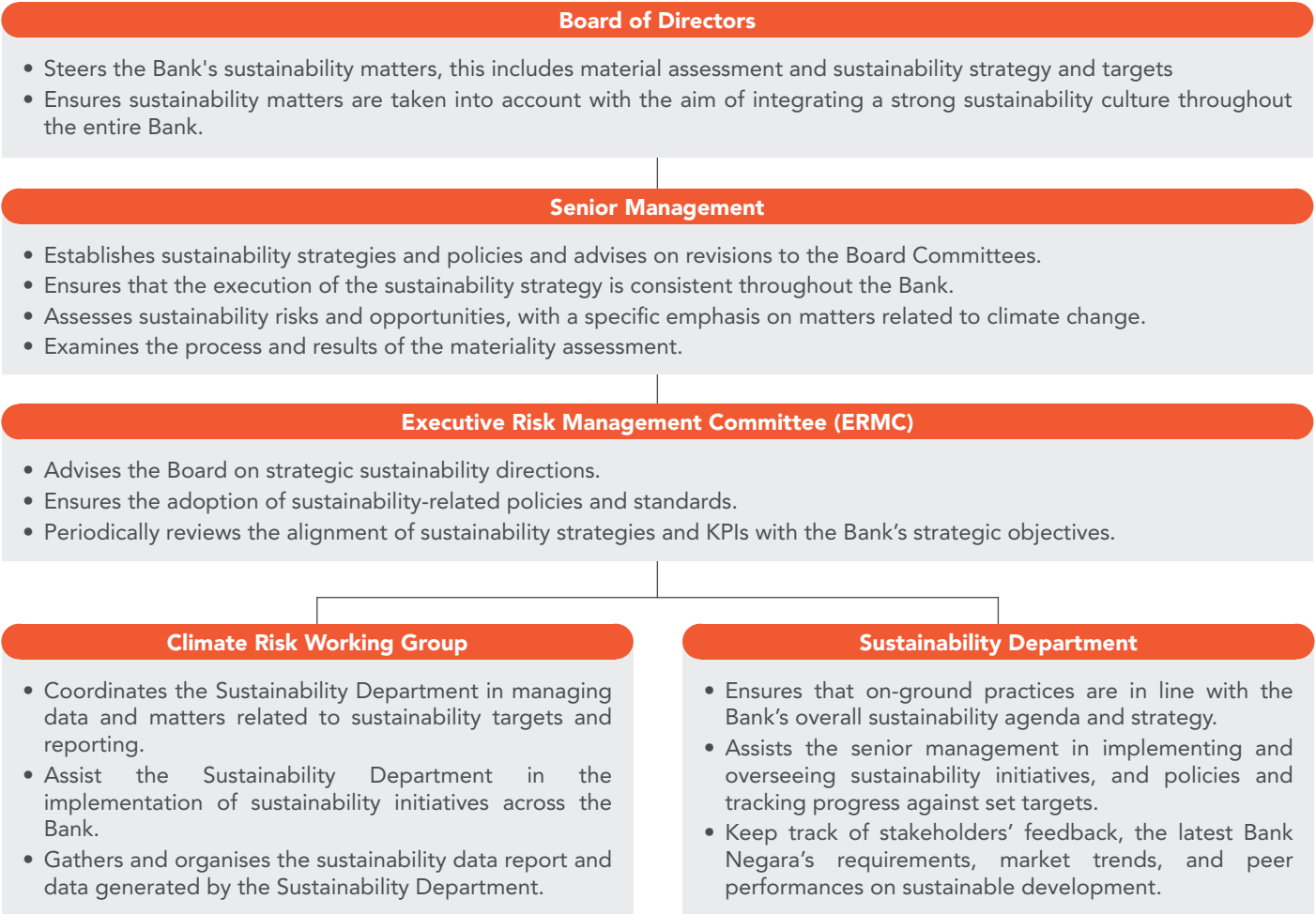
The Board of Directors (BOD) provides strategic leadership in shaping the Bank’s sustainability agenda. This includes setting direction, reinforcing a sustainability-focused culture, and monitoring performance through a structured scorecard. Continuous engagement in capacitybuilding programmes ensures the Board remains informed on emerging sustainability trends and regulatory expectations.

▶

Comprehensive Support Throughout the Organisation

Execution of the Bank’s sustainability strategy is supported by senior management and the Climate Risk Working Group (CRWG). Each plays a defined role in driving implementation, monitoring progress, and embedding ESG considerations into day-to-day operations. This integrated approach ensures consistency, accountability, and alignment with the Bank’s overall strategic objectives.

For further clarity, please refer to the Bank’s sustainability governance structure.



SUSTAINABILITY RISK MANAGEMENT

ESG and climate-related risks present significant challenges to long-term value creation and operational resilience. As stakeholder expectations evolve and regulatory scrutiny intensifies, effective ESG risk management is critical to maintaining business continuity, safeguarding financial performance, and protecting reputation.

A core risk faced by financial institutions is the potential adverse impact of customers' business operations on people and the environment. In providing financing, the Bank becomes directly associated with its customers' practices. This connection creates a responsibility to ensure alignment between financed activities and the Bank's sustainability commitments. Failure by customers to comply with ESG expectations such as global or local standards, may lead to operational shutdowns, financial penalties, or reputational harm, thereby posing indirect risks to the Bank's portfolio.

To mitigate these risks, the ESG Scorecard has been fully embedded into the Bank's credit assessment process. Developed in line with Bank Negara Malaysia's (BNM) Due Diligence Questions (DDQ) under the Climate Change and Principle-based Taxonomy (CCPT), the scorecard provides a structured framework to assess and categorise customers' ESG risk profiles. This includes evaluation against Guiding Principles 3 and 4 (GP3 & GP4) of the CCPT, which relate to climate risk exposure and transition efforts.

The ESG Scorecard is used by relationship managers and business units to systematically assign ESG risk scores and identify climate-related exposures across sectors. The tool enables the Bank to integrate ESG considerations at both the transaction and portfolio levels, enhancing risk mitigation and decision-making.

Environmental assessment includes

- Evaluation of climate risk exposure and adaptation strategies
- Supply chain and environmental mitigation measures
- Adoption of sustainable procurement policies
- Deforestation and land-use policies with verified clearance practices
- Water management policies covering sourcing, usage, and pollution controls
- Management of waste, effluents, and hazardous materials

Social assessment includes

- Adherence to labour laws and avoidance of exploitative practices
- Compliance with the Workers' Minimum Standards of Housing and Amenities Act 2019
- Social Impact Assessments (SIA), where applicable
- Implementation of Free, Prior, and Informed Consent (FPIC), where relevant
- Effective grievance mechanisms for affected communities or workers
- Occupational Safety and Health (OSH) frameworks aligned with ISO 45001

Governance includes

- Compliance with Malaysia's Anti-Corruption Commission Act and related guidelines
- Implementation of Anti-Money Laundering (AML) procedures
- Record of legal actions or penalties related to ESG non-compliance
- Adherence to the Malaysian Code on Corporate Governance (MCCG)
- ESG disclosures or sustainability reporting practices
- Valid ESG-related certifications (industry or regulatory)
- Presence of formal sustainability strategies and ESG-integrated risk frameworks



SUSTAINABILITY GOVERNANCE

REGULATORY COMPLIANCE

Bank Muamalat remains committed to strengthening climate risk management in alignment with regulatory expectations under Bank Negara Malaysia’s (BNM) climate-related guidelines. The Bank continues to embed climate considerations across governance, risk management, and disclosure practices, guided by the following frameworks:

BNM Climate Change and Principle-based Taxonomy (CCPT)

Implementation is progressing with structured internal processes to support classification and reporting requirements. Assessment of financing and investment activities is guided by CCPT’s five guiding principles, with internal reporting mechanisms in place. Ongoing efforts are also focused on addressing feedback from regulatory reviews and ensuring alignment with BNM’s expectations.

BNM Climate Risk Management and Scenario Analysis (CRMSA)

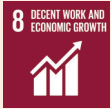
The Bank is actively enhancing its alignment with CRMSA’s six pillars, which cover governance, strategy, risk management, scenario analysis, disclosure, and cross-functional capabilities. Progress includes the refinement of internal governance frameworks, enhancement of risk identification tools, and development of data and analytical capabilities to meet scenario analysis requirements.

Climate Risk Stress Testing Exercise (CRST)

In preparation for the regulatory submission due in December 2025, Bank Muamalat is undertaking a structured approach to climate risk stress testing. Efforts include strengthening data readiness, refining modelling capabilities, and identifying material climate-related exposures. The Bank is also enhancing internal collaboration to ensure the integration of stress test outcomes into broader risk management and strategic planning processes.



ECONOMIC



SDG 8.1

Sustaining per capita economic growth in accordance with national circumstances



SDG 16.5

Substantially reducing corruption and bribery in all their forms



ECONOMIC

M1

ECONOMIC PERFORMANCE: STRENGTHENING RESILIENCE AND FUTURE-READY GROWTH

Why This Matters

Bank Muamalat operates in an increasingly dynamic and competitive landscape, shaped by economic volatility, rising profit rates, and tightening margins. At the same time, the rapid expansion of the digital economy has introduced new vulnerabilities, including a heightened risk of financial crimes, requiring the Bank to maintain strong and proactive cybersecurity capabilities. The emergence of digital-only banks further intensifies the need for continuous digital innovation to meet evolving customer expectations.

For the broader community, inclusive access to financial services and literacy is vital to stimulate local economic activity particularly for small businesses, gig workers, and underserved groups. By designing solutions that cater to diverse customer segments, including the B40 group, asnaf, gig economy workers, professionals, and affluent individuals, Bank Muamalat actively promotes financial inclusion. At the same time, corporate and commercial clients are encouraged to embed ESG considerations into their business models, aligning with national sustainability goals and global standards.

Our Approach

Bank Muamalat's strategic direction is guided by RISE26+, the Bank's five-year business plan aimed at strengthening performance, resilience, and leadership within the industry. Under this plan, we pursue the following key initiatives:

- **Strategic Growth and Futureproofing** - To navigate economic uncertainties and margin compression, we have realigned our deposit structure to focus on low-cost funding sources. This approach supports long-term financial stability by managing funding costs effectively.
- **Strengthening Cybersecurity Capabilities** - In response to rising financial crime risks, we have strengthened our cybersecurity infrastructure and controls, ensuring they remain aligned with industry benchmarks and regulatory expectations.
- **Continuous Digital Innovation** - To stay competitive amidst the rise of digital banking, we continue to invest in enhancing our IT systems and digital platforms, providing customers with seamless, secure, and user-friendly banking experiences.

Key Actions and Outcomes

In 2024, the Bank strengthened its efforts to improve financial inclusion and empower diverse customer segments by offering targeted financing solutions, promoting financial literacy, and supporting underserved communities. These initiatives were designed to encourage responsible financial behaviour, improve access to essential funding, and enhance the overall financial well-being of individuals, households, and small businesses.

1. Tailored Financing Solutions to Meet Customer Needs

The Bank delivered a range of Shariah-compliant financial solutions designed to support various life needs and income groups:

- **Personal Financing (PF)**: Provided for purposes such as debt consolidation, education, and financial assistance to the B40 group through initiatives.
- **Home Financing (HF)**: Supported home ownership through participation in government-backed schemes such as Skim Rumah Pertamaku (SRP).
- **Ar Rahn**: Offered short-term liquidity assistance through a Shariah-compliant mechanism, providing customers with quick and secure access to funds.

- **Vehicle Financing – Electric Vehicles (EV)**: Promoted green mobility by offering competitive financing packages for the purchase of electric vehicles.

In addition, the Bank actively promoted financial literacy and debt management through a series of briefings, seminars, and talks in collaboration with employers, government agencies, associations, and NGOs. These programmes aimed to raise awareness on financial planning, responsible financing, and savings habits among the public.

2. Financial Literacy and Community Outreach

To strengthen public awareness of personal financial management, the Bank conducted a series of briefings, seminars, and talks in collaboration with employers, government agencies, associations, and NGOs. These programmes focused on:

- Debt management
- Financial planning
- Encouraging savings habits
- Promoting responsible financing

3. Supporting Small Businesses and Inclusive Growth

- **Financial Assistance to Micro and Small Enterprises:**
The Bank extended crucial financial support to small businesses, contributing to economic stimulation and entrepreneurship growth within local communities.
- **Inclusive Product and Service Offerings:**
Products and services were tailored to serve a broad range of customers, including B40 households, asnaf, gig workers, professionals, and affluent individuals—reflecting the Bank's continued commitment to inclusivity and accessibility.

4. SME and Commercial Banking Growth

Through strategic collaboration with Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) and Credit Guarantee Corporation (CGC), the Bank expanded financing access to SMEs via structured programmes that cater to general working capital needs. The Commercial Banking division, on the other hand, provided bespoke and comprehensive financial solutions, encompassing:

- Business financing
- Deposit and payment solutions
- Leasing services

This shift from financing-centric offerings to holistic financial partnerships resulted in strong business performance:

- Commercial financing recorded a 14.6 percent growth
- SME financing achieved a 10.4 percent increase

Bank Muamalat remained resilient and successfully harnessed opportunities to serve its customers and grow its business. Our achievements in FY2024 include:

Economic Value Generated: RM2,148.11 million
(refers to the revenues and income generated by the bank)

Economic Value Distributed: RM1,814.73 million
(refers to operating costs, employee wages and payments to providers of capital)

Economic Value Retained: RM333.38 million
(refers to Economic Value generated minus economic value distributed)



ECONOMIC

M2

ENTREPRENEUR DEVELOPMENT: FOSTERING GROWTH AND INNOVATION

Why This Matters

Entrepreneur development plays a vital role in stimulating innovation, fostering economic resilience, and generating employment opportunities, particularly at the grassroots level. Small and micro enterprises are often the backbone of local economies, yet they face challenges in accessing affordable and reliable financing.

Bank Muamalat recognises the importance of supporting this segment as part of our commitment to inclusive and sustainable economic development. By collaborating with

government agencies and strategic partners, the Bank facilitates access to financing for SMEs and Micro SMEs through partly secured guarantee schemes. This support enables entrepreneurs to grow and sustain their businesses, strengthening local economies and contributing to national development goals. Our efforts are also closely aligned with our mission to enhance financial inclusion and improve the overall well-being of the communities we serve.

Our Approach

Bank Muamalat’s approach to entrepreneur development is grounded in collaboration, tailored financial solutions, and alignment with national priorities. Through these efforts, Bank Muamalat continues to empower entrepreneurs as key drivers of innovation, resilience, and inclusive growth across Malaysia.

Our strategy focuses on the following core areas:

- Strategic Collaborations - Partnerships with vendors, business networks, and government-linked agencies enable the provision of partly secured guarantees, expanding financing access to SMEs and Micro SMEs with limited collateral capacity.
- Customer-Centric Engagement - The Bank engages directly with SME and Micro SME customers to better understand their unique business needs. This allows us to tailor financing products and advisory support that promote long-term business growth and sustainability.
- Alignment with Government Initiatives - Collaborations with national initiatives, enhance the availability of funding and advisory resources for targeted groups, particularly Bumiputera entrepreneurs and underserved segments.

Key Actions and Outcomes

In 2024, Bank Muamalat made significant strides in supporting entrepreneur development through various initiatives and collaborations:

- Offered the Ar Rahnū product as the primary financing solution for individual entrepreneurs under Retail Banking, particularly those operating as sole proprietors or managing small businesses.
- Initiated the design of a new tailored product, Ar Rahnū Business, aimed at further addressing the specific needs of individual entrepreneurs and micro-business operators.
- Enhanced outreach and advisory support by implemented focused outreach efforts through branches and partner agencies to promote product awareness, financial literacy, and advisory support for small business owners in underserved areas.

These actions have led to meaningful outcomes that reflect Bank Muamalat’s continued efforts to support entrepreneurship as a cornerstone of inclusive economic development:

- A total of RM208.62 million in financing outstanding was recorded as of FY2024, directly benefiting 6,445 individual entrepreneurs. This reflects a growing demand for Shariah-compliant financing options among sole proprietors and microenterprise owners, particularly those in underserved and informal sectors who often face barriers in accessing traditional credit facilities.
- Throughout FY2024, the Bank disbursed RM332.74 million in financing to individual entrepreneurs, enabling a wide spectrum of business owners to secure working capital for operational continuity, inventory expansion, equipment upgrades, and business diversification. This financial support helped many entrepreneurs stabilise their businesses in the face of inflationary pressures and supply chain disruptions.

- The Bank observed a notable increase in financing penetration across semi-urban and rural areas, with a significant portion of Ar Rahn and SME financing directed to communities historically excluded from mainstream financial services. This demonstrates the effectiveness of our outreach efforts and product tailoring in improving financial access at the grassroots level.
- Feedback gathered from beneficiaries and internal monitoring highlighted that timely access to financing improved business resilience, allowing many entrepreneurs to sustain operations, preserve employment, and maintain household income stability. In several cases, financing enabled entrepreneurs to transition from informal to formal operations, laying the groundwork for long-term business scalability.
- The Bank's efforts also contributed to strengthening the entrepreneurial ecosystem by reinforcing partnerships with stakeholders such as vendor networks, cooperatives, and financing guarantee providers. These collaborations not only enhanced financing capacity but also opened opportunities for further financial advisory, training, and mentorship support for entrepreneurs.

These outcomes underscore Bank Muamalat's role in supporting Malaysia's broader socio-economic agenda by ensuring that entrepreneurship remains a viable, supported pathway to economic empowerment and financial independence.

M12

RESPONSIBLE FINANCING: ENSURING SUSTAINABLE GROWTH

Why This Matters

Responsible financing is a cornerstone of Bank Muamalat's strategy in fostering long-term value for customers, the financial system, and the wider community. By integrating ethical, Shariah-compliant, and sustainability principles into our financial practices, we aim to support economic growth while minimising negative impacts on society and the environment.

In an evolving regulatory and socio-economic landscape, the adoption of responsible financing practices enables the Bank to promote inclusive financial access, uphold stakeholder trust, and mitigate emerging risks. This approach also aligns with national development goals and global calls for financial institutions to play a proactive role in advancing environmental and social outcomes.

Our Approach

Bank Muamalat adopts a holistic and forward-looking approach to responsible financing, grounded in regulatory alignment, sustainability integration, and customer centricity. Our key focus areas include:

- **Regulatory Alignment and Gap Assessment** - Regular gap analyses are conducted on all regulatory documents to ensure our internal frameworks remain aligned with evolving requirements, including Bank Negara Malaysia's Policy Document on Responsible Financing, the Climate Change and Principle-based Taxonomy (CCPT), Climate Risk Management and Scenario Analysis (CRMSA), and Climate Risk Stress Testing (CRST).
- **ESG and Climate Risk Integration** - ESG elements and climate risk indicators are embedded into our ESG Scorecard and credit evaluation process to assess the potential impact on our customers' risk profiles and align with long-term sustainability goals.
- **Policy Implementation and Transparency** - We ensure all internal policies are updated and communicated across the Bank through structured dissemination and training sessions. Policy changes from regulators are implemented with transparency and accountability.
- **Climate Risk Management Framework** - The Bank developed a Climate Risk Management Framework to guide climate exposure assessments, risk monitoring, and business strategy alignment in line with BNM's CRMSA, CCPT, and CRST frameworks.
- **Shariah-Guided Credit Practices** - Financing assessments are aligned with Shariah principles that emphasise fairness, necessity, and the customer's long-term financial well-being. Products are designed to meet essential needs while maintaining customers' payment ability.

ECONOMIC

Key Actions and Outcomes

In FY2024, Bank Muamalat undertook a range of initiatives to embed responsible financing across its operations and product offerings:

- Incorporated CCPT classifications and ESG scoring into financing assessments to support green financing and reinforce climate-related due diligence.
- Participated actively in the Joint Committee on Climate Change (JC3), leading the Subgroup for SMEs under CCPT Guiding Principles 3 and 4 (GP3 & GP4). We developed and published the SME Guidance Notes (SME GN) to assist financial institutions and SMEs in assessing and mitigating environmental and climate risks.
- Led the enhancement of the VBIAF Sectoral Guide for Energy Efficiency (as Project Manager) and co-led the revision of the Construction and Infrastructure sector guides, reinforcing our commitment to sector-specific responsible financing practices.
- Continued to implement structured internal reviews and training to ensure policy compliance and employee readiness in adapting to new regulatory expectations.
- Maintained strong credit governance through our Credit Policy, which outlines responsible financing criteria, individual accountability, and centralised credit control.

VBI-Aligned Financing Portfolio (FY2024)

VBI-Aligned Area	Financing Outstanding (RM million)
SME Financing	873.00
Retail Financing	10,607.00
Preserving the Natural Environment	820.00
Raising Community Standards of Living	3,611.00
Promoting Healthy Lifestyles	250.00
Education	120.00
Hospitals and Medical Providers	360.00

Tailored Financing to Support Inclusive Growth

The Bank’s commitment to responsible financing is demonstrated through a suite of tailored financial solutions that serve the diverse needs of underserved and financially vulnerable segments. These offerings are designed not only to address immediate financial requirements but also to support long-term economic empowerment and financial resilience.

- Personal financing is extended to support essential needs such as debt consolidation, education, and healthcare. In particular, the Bank has developed customised offerings for pensioners, members of the armed forces, and the B40 segment. These products are structured to ensure affordability and minimise over-indebtedness, enabling customers to manage their financial obligations responsibly.
- Home financing is made accessible to first-time buyers and lower-income groups through government-supported schemes such as Skim Jaminan Kredit Perumahan (SJKP) and Skim Rumah Pertamaku (SRP). These schemes help customers overcome common barriers such as lack of collateral or formal income documentation, promoting homeownership as a key pillar of social stability and wealth creation.
- Ar Rahnū, Bank Muamalat’s Shariah-compliant pawn broking service, provides short-term liquidity to customers who may lack access to traditional credit facilities. As of 2024, this product has supported over 28,000 individuals, the majority of whom are from the B40 segment. Ar Rahnū remains a vital financial safety net, offering fast, collateral-based financing that is ethical and transparent.
- Electric vehicle financing reflects the Bank’s growing focus on sustainability. By offering financing for EV purchases, the Bank supports the adoption of low-carbon transportation alternatives in line with Malaysia’s national environmental agenda. This product also aligns with Bank Muamalat’s commitment to financing green and climate-positive solutions.
- ASB financing is offered as part of the Bank’s financial planning products, promoting long-term savings and investment among B40 customers. This solution empowers individuals to grow their wealth over time while fostering a disciplined savings culture, particularly for those who may not otherwise participate in formal investment schemes.

Together, these offerings embody Bank Muamalat's approach to delivering responsible and inclusive financing that supports essential life goals such as home ownership, health, education, and financial stability while reinforcing the Bank's wider social and environmental commitments.

As of 31 December 2024, the Bank has made a significant impact across its financing solutions:

Financing Type	Total Beneficiaries	Financing Outstanding (RM million)
Personal Financing	66,396	4,143.55
Home Financing (SJKP, SRP)	12,913	2,896.55
Ar Rahn	28,104	551.57
Vehicle Financing (EV)	598	73.32
ASB Financing (B40 segment)	2,377	161.90

Disbursements from January to December 2024:

Financing Type	Disbursed Amount (RM million)	Customers Served
Personal Financing	513.09	4,383
Home Financing	760.38	3,454
Ar Rahn	902.80	28,279
Vehicle Financing (EV)	35.75	271
ASB Financing	2.33	48

Through these initiatives and outcomes, Bank Muamalat continues to reinforce its role as a responsible financial intermediary one that is committed to sustainable economic growth, inclusive development, and long-term stakeholder value. These efforts are a key part of our mission to *Create Better Lives, Together.*



ECONOMIC

M13

PROCUREMENT PRACTICES: FOSTERING ETHICAL AND SUSTAINABLE PARTNERSHIPS

Why This Matters

Responsible procurement plays a critical role in upholding the Bank’s commitment to ethical conduct, operational excellence, and sustainability. By managing supplier relationships with transparency, fairness, and due diligence, Bank Muamalat not only mitigates third-party risks but also promotes environmental and social outcomes throughout its supply chain.

Procurement is more than a transactional function; it is a strategic lever to build long-term partnerships, strengthen regulatory compliance, and embed the values of inclusivity and sustainability in our daily operations. Our approach is also aligned with the principles of value-based intermediation (VBI), ensuring that procurement decisions support both business objectives and national development goals.

Our Approach

The Bank’s procurement practices are grounded in strong governance, regulatory compliance, and a values-driven approach to supplier engagement. Key elements include:

- Comprehensive due diligence is performed when onboarding new vendors, renewing contracts, or renegotiating terms. This includes credit assessments via CTOS, anti-money laundering and counter-financing of terrorism (AML/CFT) screening, and reviews of legal and compliance history.
- Outsourced service providers are required to meet the same ethical and operational standards imposed on the Bank by regulators. This includes periodic testing of their business continuity plans (BCP) and adherence to information security protocols.
- Monthly governance meetings are held at the business unit level to oversee outsourcing relationships, track performance, and resolve any operational concerns in a timely manner.

- All procurement activities are conducted in compliance with relevant regulatory guidelines, including Fair Treatment of Financial Consumers (FTFC) and Outsourcing Policy. Clear and standardised requirements are established for all tender and quotation exercises to ensure fairness and transparency.
- Every vendor is required to sign a Vendor Code of Conduct and Declaration of Interest, which formalise our mutual commitment to ethical conduct, conflict-of-interest prevention, and accountability.
- In line with VBI principles, the Bank also considers inclusive and impact-driven elements in procurement decisions. Vendors that support local communities, employ individuals from underrepresented groups (such as persons with disabilities or single mothers), or demonstrate strong ESG practices are given due consideration

Key Actions and Outcomes

In 2024, the Bank strengthened its procurement practices to reflect a deeper focus on compliance, inclusivity, and sustainability.

- The Bank introduced a mandatory vendor prequalification process before onboarding. This includes credit checks via CTOS, AML and CFT screening, and a thorough review of the vendor’s legal and compliance history. This step helps ensure that only reputable and capable vendors with a strong track record are engaged in our procurement activities.
- To ensure a fair and transparent procurement process, the Bank established clear and standard expectations across all tender and Request for Quotation exercises. These include specific requirements on deliverables, timelines, and quality standards to eliminate any potential for bias or preferential treatment. This approach ensures equal opportunity for all vendors.

- All vendors are required to sign a Vendor Code of Conduct and a Declaration of Interest. These declarations strengthen mutual accountability between the Bank and our vendors and reinforce our commitment to responsible and ethical business practices.
- A structured process has been implemented to address procurement disputes in a professional and timely manner. This helps prevent unnecessary escalations and supports the preservation of long-term business relationships through effective conflict resolution.
- Vendor performance evaluations were carried out annually or when necessary. These evaluations assess service quality, delivery timelines, compliance with contract terms, and responsiveness. The feedback from these assessments is used for continuous improvement and plays an important role in contract renewal decisions.

- The Bank has begun incorporating environmental and social considerations into its procurement decisions. Preference is given to vendors who demonstrate good sustainability practices such as offering eco-friendly products, using resource-efficient solutions, or holding relevant environmental certifications.
- The Bank is required to conduct thorough due diligence when onboarding new outsourcing arrangements, as well as during the renewal or renegotiation of existing contracts. This ensures that all service providers meet the Bank's compliance, risk, and performance standards.
- Monthly governance meetings are held by the respective business units to review and address any issues or developments related to outsourcing providers. These meetings serve as a platform to ensure accountability, monitor service levels, and promptly resolve concerns.
- As part of our risk management and operational resilience measures, regular testing of the service provider's Business Continuity Plan (BCP) is conducted. The results of these exercises are submitted to the Bank for review and evaluation.

Our procurement practices in 2024 reflect the Bank's ongoing commitment to ethical, inclusive, and sustainable operations:

- The Strategic Procurement Department ensures that all outsourcing-related matters are managed in accordance with the Bank's outsourcing policy, providing consistency and compliance across outsourced engagements.
- In 2024, 46 percent of our active vendors were Bumiputra-owned businesses, while 28 percent were classified as SMEs. This reflects the Bank's continued support for supplier diversity and aligns with national priorities to promote inclusive economic growth and equitable participation in the supply chain.
- For every tender or Request for Quotation exercise, efforts are made to include qualified Bumiputra and SME vendors, depending on the nature of the services required. This inclusive approach ensures broader participation and promotes equitable access to procurement opportunities.

- The continued engagement of Bumiputra and SME vendors supports broader socioeconomic impact. When awarded with procurement contracts, these vendors are empowered to grow, potentially contributing to job creation and community upliftment.
- In 2024, 98 percent of all appointed vendors were locally based, reinforcing our support for domestic businesses and the national economy. Only 2 percent of our vendors were non-local, typically in areas requiring specialised expertise not readily available within Malaysia.
- Regular vendor performance evaluations were conducted to assess service delivery, compliance, and responsiveness. Open and constructive communication throughout the contract lifecycle has helped strengthen partnerships and improve service consistency.
- Vendor appointments are formalised through a Letter of Offer and/or Contract, which clearly outlines all terms and conditions to protect the Bank's interests. Through strict adherence to regulatory requirements and diligent risk management, we have upheld fair treatment of financial consumers and safeguarded the integrity of our procurement processes.
- The Bank has established robust controls to ensure the security and confidentiality of any information shared with service providers. In line with regulatory requirements, staff of the service provider are also expected to adhere to standards equivalent to those imposed by Bank Negara Malaysia, ensuring consistency in ethical and operational conduct.

Our commitment to responsible procurement practices ensures that our operations generate positive outcomes for both the community and the environment. These efforts reflect our dedication to upholding the principles of transparency, fairness, and integrity across all procurement activities, while reinforcing our role as a socially responsible and values-driven organisation.

ECONOMIC

M14

ETHICS AND INTEGRITY: UPHOLDING STANDARDS AT BANK MUAMALAT

Why This Matters

Upholding strong ethical standards is fundamental to the Bank's operations. A sound ethical framework serves as a safeguard against corruption, strengthens transparency, and builds stakeholder trust. By cultivating a culture of integrity, the Bank not only meets regulatory expectations but also reinforces its reputation and operational resilience—supporting long-term, sustainable growth.

Our Approach

Our commitment to ethics and integrity is both structured and far-reaching, grounded in strict compliance with anti-corruption regulations, reinforced by clear governance measures, ongoing staff training, and accessible whistleblowing channels.

Bank Muamalat upholds a firm zero-tolerance stance against all forms of bribery and corruption. We adhere to the Guidelines on Adequate Procedures under Section 17A of the MACC Act 2009 (Corporate Liability, Amendment 2018), guided by the T.R.U.S.T. principles framework.

T

Top-Level Commitment

- Approved Policy on Anti-Bribery and Corruption (ABC) and related guidelines.
- Allocated training budget for anti-bribery and corruption training.
- Mandated periodic reporting on integrity management activities to the Board and Management.
- Practiced semi-annual reporting to the Agency Integrity Management Division of the Malaysian Anti-Corruption Commission (MACC) through our Integrity and Governance Unit.

R

Risk Assessment

- Review the identified risks from Bank Muamalat Organisational Anti-Corruption Plan (OACP) bi-annually and report to Management and Board via annual report.

U

Undertake Control Measures

- Established and enforced Integrity-related documents, i.e., Policy on Anti-Bribery and Corruption, Anti-Bribery and Corruption Guideline on Gift and Entertainment, Anti-Bribery and Corruption Guideline on Donation and Sponsorship, Vendor Code of Conduct (VCOC) and Anti-Bribery and Corruption Handbook.

S

Systematic Review, Monitoring, And Enforcement

- Administered the bribery and corruption reporting channel and advisory platform.
- Required periodic reporting to the Board and Management on Anti-Bribery and Corruption programmes.
- Obligated monthly monitoring of gift and entertainment declarations by the Bank's staff.
- Enforced donation and sponsorship application review and monitoring.
- Imposed monitoring of vendors' conflict of interest through Vendor Code of Conduct (VCOC) acknowledgement.
- Reviewed standard operating procedures and policies to include integrity-related matters wherever applicable.
- Assessed the understanding of the Bank's staff via Anti-Bribery and Corruption e-learning.

T

Training And Communication

- Mandated Anti-Bribery and Corruption training to all staff through e-learning.
- Implemented Integrity Internal Alerts and Integrity Newsletters.
- Periodic Anti-Bribery & Corruption (ABC) training to targeted Business Units.

Actions and Outcomes

In 2024, the Bank strengthened its ethical framework and ensured continuous engagement with employees and stakeholders through the following initiatives:

- **Enhanced whistleblowing mechanisms** - The Muamalat Ethics Line continued to serve as a trusted and confidential channel for reporting misconduct. To improve awareness, the Bank conducted eight engagement sessions across regional offices and branches, complemented by visual messaging through banners, screensavers, and ATM displays.
- **Policy updates and enforcement** - The Bank revised its Whistleblowing Policy to strengthen governance over reporting and investigation procedures. In parallel, updates to the Industrial Relations SOP addressed compliance with AML/CFT processes and clearly outlined the consequences of non-compliance.
- **Reports and resolutions** - In 2024, a total of eleven reports were submitted through the Muamalat Ethics Line, covering issues including misconduct, negligence, and bribery. All reports were reviewed, and cases requiring further attention were escalated to the Bank's Audit Committee for deliberation and appropriate action.
- **Comprehensive staff training** - All employees were required to complete mandatory ABC training. Targeted trainings were also conducted to address specific risk areas within selected business units. These efforts have helped maintain a high level of awareness across the organisation.
- **Vendor governance and transparency** - Vendors were required to sign declarations on conflict of interest and commit to the Bank's Code of Conduct, reinforcing shared accountability in maintaining ethical standards. Vendor engagement continued to be guided by principles of fairness, transparency, and zero tolerance for corruption.

Bank Muamalat's continued focus on ethics and integrity underscores our commitment to being a responsible and trusted Islamic financial institution. Through enhanced governance, robust training, and transparent communication, we strive to foster a culture where ethical conduct is not only expected but deeply embedded in every aspect of our operations.

The Muamalat Ethics Line reporting channels:



Hotline:
03-26167111

How We handle Whistleblowing

START



Receive whistleblower disclosure via the Muamalat Ethics Line

BDO Malaysia assesses the disclosure

Valid → **END**
↓ Yes

BDO Malaysia* escalates the disclosure to the Chief Internal Auditor (CIA) and/or the Chairman of the Board Audit Committee (BAC)

Valid → **END**
↓ Yes

The CIA/Chairman of BAC instructs for investigation

The investigation team conducts an investigation and reports to BAC

BDO Malaysia notifies the outcome of the disclosure to the whistleblower



END

* BDO Malaysia is an independent third party engaged by the Bank to manage the Muamalat Ethics Line.

ECONOMIC

M11

CUSTOMER EXPERIENCE: STRENGTHENING CUSTOMER SERVICE EXCELLENCE

Why This Matters

Bank Muamalat remains committed to delivering exceptional customer service as a cornerstone of its strategy to exceed customer expectations, build lasting relationships, and sustain its competitive position in the banking industry. The Bank continues to enhance service efficiency, broaden digital accessibility, and engage meaningfully with customers to

ensure a smooth and rewarding banking experience. In parallel, the Bank is reinforcing its security posture through continuous upgrades to meet regulatory requirements, the deployment of advanced technologies for control and monitoring, and the enhancement of data protection measures in line with the latest Information Protection Guideline.

Our Approach

The Bank’s approach to delivering superior customer experience is guided by three core areas:

- Service Efficiency – We streamline internal processes and enhance turnaround times to ensure responsive and consistent service delivery across all customer touchpoints.
- Digital Accessibility – We continue to expand our digital offerings to provide customers with convenient, seamless, and secure access to banking services anytime and anywhere.

- Information Security and Trust – To safeguard customer confidence, we continuously upgrade our security infrastructure, deploy advanced monitoring technologies, and strengthen data protection measures in line with the latest Information Protection Guideline and regulatory expectations.

Key Actions and Outcomes

ATLAS Digital Banking Driving the Shift to a Fully Digital Ecosystem

In line with our digital transformation strategy, Bank Muamalat streamlined the onboarding experience for savings accounts and enhanced digital banking account management through the launch of the new ATLAS mobile platform. This milestone reflects our continued effort to deliver faster, more personalised, and accessible banking services.

The ATLAS Digital Banking platform was rolled out in phases, beginning with internal users to ensure performance stability and user-centric enhancements before scaling to the public.

Key releases and capabilities introduced:

- Alpha Release 1, launched on 15 November 2024, marked the debut of our first product, a digital Savings Account.
- Alpha Release 2, launched on 12 December 2024, expanded the platform by introducing two innovative lifestyle and faith-based differentiators:
 - Lifestyle features: Referral code system, rewards wallet (e-vouchers), and a dynamic highlights banner
 - Faith-based features: Daily prayer times, zikir counter, Islamic calendar, and inspirational content

As of 31 December 2024, a total of 531 Bank Muamalat employees were successfully onboarded through ATLAS. The onboarding rollout is progressing in phases, targeting a total of 1,000 employees by 10 January 2025.

Supporting this growth, a Centralised Operations Team was established, equipped with the “Digital Assist” capability and an integrated CRM dashboard to facilitate real-time resolution of customer queries through digital channels.

This setup enabled the platform to achieve exceptional efficiency in customer onboarding, with an average turnaround time of just 4 to 8 minutes, as reported to the Board of Directors on November 2024. It also enabled quicker and more effective resolution of digital banking issues through the centralised digital operations and CRM system, resulting in better customer satisfaction, improved service response time and technical troubleshooting.

Safeguarding trust is also central to ATLAS’s operations. In alignment with the latest Information Protection Guidelines and regulatory requirements, Bank Muamalat continues to enhance its security infrastructure through advanced monitoring, rigorous data protection measures, and proactive risk mitigation.

Through the ATLAS platform, Bank Muamalat is not only enhancing operational efficiency but also reinforcing its position as a forward-looking institution that integrates faith, lifestyle, and technology to better serve a diverse and evolving customer base.

Data Management

Strengthened the Bank's enterprise data platform by integrating fragmented data sources into a centralised and intelligent repository. This allowed for complete data visibility, improved governance, and quicker access to actionable insights. Data quality was maintained through continuous monitoring, while strong controls such as classification protocols, encryption, access restrictions, and Data Loss Prevention (DLP) measures were implemented to protect sensitive information. These efforts were supported by regular audits, near real-time reporting, security awareness training, consistent policy enforcement, and a well-prepared incident response plan. Together, these measures empowered business units to make informed decisions and contributed measurable value to the Bank.

Customer Convenience and Trust

The Bank continues to prioritise customer satisfaction and operational efficiency as part of our commitment to service excellence:

- **Customer Satisfaction in FY2024:** The Bank achieved a Customer Satisfaction (CSAT) score of 96.0% in FY2024, up from 94.0% in FY2023, marking a 13.53% increase from 82.8% in FY2022. This consistent upward trend reflects the Bank's ongoing commitment to customer-centric service enhancements.
- **Efficient Complaint Resolution:** In FY2024, 66.88% of customer complaints were resolved within 0–2 working days, an improvement supported by process streamlining and the introduction of Service Level Agreements (SLAs) with key business units. Complaint volume declined by 12.96% compared to FY2023, signalling greater efficiency and improved customer experience.
- **Contact Centre Performance:** Compared to 791,107 calls in FY2023, the Contact Centre received and responded to 536,335 calls in FY2024. Of these, 38% were related to Internet Banking login issues, which continue to drive a significant portion of customer interactions. Callbacks on dropped calls were actively conducted to improve issue resolution and satisfaction.
- **Call Abandonment Rate:** The Bank maintained a call abandonment rate of 9.26%, aligning with industry standards and reflecting effective queue and resource management.
- **Governance of Customer Feedback:** Feedback and complaint resolution remain a key priority for the Bank.

Performance is regularly monitored and reviewed by the Management Committee (MANCO), with oversight from Senior Management to ensure accountability and continuous improvement.

- **Enhanced Digital Onboarding Efficiency:** In FY2024, the Bank improved the turnaround time (TAT) for digital savings account onboarding, reducing the need for customers to walk into branches, thereby boosting convenience and accessibility.
- **Service Efficiency Gains:** Quicker response times to customer queries and better handling of requests have led to improved CSAT metrics and resolution timelines.
- **Positive Business Outcomes:** The enhancements in service delivery contributed to increased deposit growth, a higher number of accounts opened, and improved scalability of the customer onboarding process.
- **Reinforced Brand Trust and Data Security:** The Bank continued to safeguard customer trust through robust data protection measures, leveraging secure cloud infrastructure to ensure the confidentiality, integrity, and availability of customer information.
- **The industry standard for Average Waiting Time (AWT) is set at 80%; FY2024, the bank exceeded expectations by achieving 90%.**
- **The increase in Ar Rahnun customers, rising by 11.4% from the previous year, has directly impacted the Average Waiting Time (AWT) percentage. Despite this surge in demand, the Bank has successfully maintained service efficiency and exceeded industry standards.**
- **Launching of Customer Experience Journey (CEJ) Programme in 2025 for all branch staff to further improve service quality and customer interactions. Additionally, introducing "Salam Muamalat" as the official greeting and appointing Floor Officers (FOs) to manage customer flow and enhance the banking hall experience.**

These outcomes affirm the Bank's unwavering commitment to delivering a superior customer experience, with FY2024 marking another strong year of progress toward service excellence and trust-building. Customers are experiencing improved service efficiency, with 90% of transactions meeting the target Average Waiting Time (AWT), surpassing the 80% benchmark. Bank Muamalat continues to implement digital solutions to further enhance customer convenience and reduce waiting times.

SOCIAL



SDG 4.4

Increasing the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship



SDG 10.2

Empowering and promoting inclusion of all, irrespective of age, sex, disability, race and ethnicity



SDG 8.6

Reducing the proportion of youth not in employment, education or training

SDG 8.8

Promoting safe and secure working environments for all workers



SOCIAL

M6

EMPLOYMENT: STRENGTHENING OUR WORKFORCE

Why This Matters

A high-performing workforce is central to Bank Muamalat's ability to deliver value, adapt to change, and achieve sustainable growth. Attracting, developing, and retaining skilled talent not only drives innovation and productivity but also ensures continuity and resilience across the organisation. High employee retention reduces recruitment and training costs, while a committed workforce helps preserve institutional knowledge and reinforces a strong organisational culture.

Creating a supportive and inclusive workplace is equally important. By prioritising employee welfare, promoting work-life balance, and fostering professional development, we enhance employee satisfaction and engagement. This contributes to a more motivated and agile workforce capable of delivering on the Bank's strategic goals.

Our Approach

Bank Muamalat's approach to talent management is anchored in three core areas: recruitment excellence, retention strategies, and employee well-being.

- Strategic recruitment and talent acquisition - We continue to improve our hiring processes by aligning recruitment strategies with current and future business needs. Our focus is on selecting individuals who share the Bank's values and have the capabilities to contribute meaningfully to long-term growth.
- Retention and employee engagement - We aim to retain talent by fostering a culture of inclusion, recognition, and continuous development. Our efforts are directed

at reducing turnover by offering structured career pathways, professional learning opportunities, and regular engagement initiatives that build trust and motivation.

- Holistic employee well-being - We recognise that employee well-being extends beyond the workplace. The Bank offers a range of support programmes that address mental health, physical wellness, and work-life balance. Feedback mechanisms such as surveys and engagement sessions are used to ensure that employee voices are heard and factored into decision-making. Additionally, we actively seek employee feedback to continually improve our workplace practices and policies.

Key Actions and Outcomes

1. Strengthening Leadership Continuity and Succession

Bank Muamalat remains committed to building strong and sustainable leadership by ensuring a robust succession pipeline that supports long-term growth, business continuity, and leadership resilience. This commitment is central to the Bank's strategy for maintaining institutional stability and preparing future leaders.

In 2024, the Bank identified a total of 15 Mission Critical Positions (MCPs) and 9 Operational Critical Positions (OCPs) spanning key areas such as business, corporate and operations, and control functions. Successor candidates have been identified for each of these roles, with an average successor ratio of 1:2 for MCPs and 1:5 for OCPs. This demonstrates the Bank's solid bench strength and preparedness for future leadership transitions.

To support successor development and readiness, the following initiatives were implemented:

- Leadership assessments and the formulation of individual development plans tailored to specific competency gaps and leadership potential.

- The rollout of a structured six-month iLeaD Leadership Development Programme, designed to enhance leadership capabilities through a blend of experiential learning and executive coaching.
- Business Opportunity Case (BOC) presentations, aimed at sharpening strategic thinking, executive presence, and effective communication among identified successors.
- The continued implementation of the MyLeaP programme to nurture high-potential young talent as part of the Bank's long-term leadership development strategy.
- Ongoing efforts to strengthen recruitment and retention practices, ensuring that the Bank attracts and retains talent aligned with its values and future leadership needs.

These initiatives reflect the Bank's proactive approach to succession planning and leadership development, ensuring readiness to meet evolving business challenges and opportunities.

SOCIAL

2. Building a Strong and Future-Ready Workforce

Bank Muamalat remains focused on strengthening its human capital as a strategic priority. In 2024, the Bank achieved a meaningful reduction in the employee turnover rate to 9.87 percent, down from 12.91 percent in 2023 and 14.01 percent in 2022. This continued progress underscores the effectiveness of our approach in attracting, engaging, and retaining talent.

Key initiatives that contributed to this improvement include:

- Refinement of recruitment strategies to attract high-quality candidates, supported by robust selection processes, strengthened employer branding, and competitive compensation packages.
- Implementation of targeted retention efforts, focusing on succession planning, career mobility, and leadership development to build long-term career pathways and deepen employee commitment.
- Enhancement of collective agreements in collaboration with employee unions, ensuring fair, market-aligned remuneration and benefits that support both financial security and employee well-being.
- Ongoing engagement through the Employee Engagement Survey (EES), enabling the Bank to gather actionable insights, strengthen communication, and shape a responsive talent strategy aligned with employee expectations.

3. Employee Well-being and Engagement

A key priority for Bank Muamalat is to foster a workplace culture where employees feel valued, supported, and empowered to perform at their best. Our holistic approach to employee well-being recognises the importance of physical health, mental resilience, career fulfilment, and a healthy work-life balance.

In 2024, we deepened our investment in employee welfare through the following initiatives:

- Expanded physical and mental wellness programmes, providing employees with access to mental health resources and wellness-related initiatives that encourage a culture of care and self-awareness.
- Structured development and career growth pathways, offering various training programmes, leadership development tracks, and mentorship opportunities to support professional advancement within the Bank.
- Feedback and engagement channels, which enable ongoing communication between employees and management, fostering trust, inclusivity, and a more connected workforce.



M7

EMPOWERING DIVERSITY, ENABLING GROWTH

Why This Matters

We believe that diversity and equal opportunity are essential to building a forward-looking organisation. A diverse workforce contributes a wide range of perspectives, leading to greater creativity, stronger decision making, and more effective problem solving.

Providing equal opportunities for all employees promotes fairness, supports ethical business practices, and reinforces our core values. An inclusive environment also strengthens employee engagement, enhances satisfaction, and contributes to improved organisational performance. These factors are key to driving long term success and resilience in a rapidly changing world.

Our Approach

The Bank's approach to diversity and equal opportunity focuses on cultivating a workplace where all employees feel respected, empowered, and equipped to succeed. We implement inclusive policies and practices that promote gender balance, equitable compensation, and career development pathways for underrepresented groups.

We regularly review our diversity data to identify gaps and track progress, ensuring that our efforts remain effective and relevant. In addition, we provide training sessions on diversity, equity, and inclusion to build awareness and foster a culture of mutual respect across the organisation.

Through these measures, we aim to create a workplace that reflects the diverse communities we serve and supports the professional growth of every individual.

Key Actions and Outcomes

Gender Ratio and Representation

The current gender distribution stands at 49 percent male and 51 percent female across the organisation. This balanced representation reflects our commitment to gender diversity and to fostering an inclusive work environment where both men and women are supported to thrive.

While the overall gender balance is positive, there remains a significant gap in female representation at the senior management level, which currently stands at 93.3 percent male and 6.7 percent female. To address this disparity, the Bank is implementing focused initiatives to support the professional growth of women, including leadership development programmes, structured mentorship, and career progression pathways. These efforts are part of our long-term strategy to strengthen diversity within leadership roles and promote equitable advancement across all levels of the organisation.

Our commitment to diversity and equal opportunity is demonstrated by our gender balance and the proactive steps we are taking to improve representation at senior management levels. While we have made significant progress in promoting gender diversity, we acknowledge the need for continued efforts to achieve greater gender parity in leadership positions. By fostering an inclusive culture and implementing targeted initiatives, Bank Muamalat is dedicated to ensuring that all employees have the opportunity to succeed and contribute to our organisation's success.

These ongoing efforts underscore our dedication to creating a workplace at Bank Muamalat that values and leverages the diverse talents and perspectives of all employees, ultimately driving innovation and excellence. We believe that by prioritising diversity and equal opportunity, we not only enhance our organisational performance but also contribute positively to the broader community.

SOCIAL

M8

TRAINING AND EDUCATION: INVESTING IN EMPLOYEE DEVELOPMENT

Why This Matters

As a leading Islamic financial institution, we understand that continuous learning and development are crucial for maintaining a competitive edge and ensuring organisational success. Training and education are essential for equipping our employees with the skills and knowledge necessary to navigate an ever-evolving financial landscape. By investing

in our workforce’s professional growth, we enhance their capabilities, foster innovation, and drive overall business performance. Moreover, providing opportunities for reskilling and upskilling supports employee engagement and retention, contributing to a motivated and proficient workforce.

Our Approach

Our approach to training and education at Bank Muamalat is comprehensive and strategic, focusing on both in-house and external programmes to address the diverse learning needs of our employees. We prioritise leadership development and Shariah knowledge to align with our

organisational values and industry requirements. Our training programmes are designed to cater to various levels of the organisation, from entry-level employees to senior leaders, ensuring a continuous learning pathway for all.

Key Actions and Outcomes

In line with our commitment to continuous learning and employee development, the Bank delivered a wide range of training programmes throughout 2024 to strengthen skills, enhance leadership capabilities, and support career progression.

In-House Training: These programmes were designed to enhance technical competencies, build leadership readiness, and support the Bank’s strategic objectives. A total of 339 structured in-house training programmes were conducted, categorised as follows:



Core Programmes

91



Functional Programmes

201



Leadership Programmes

47

Public (External) Training: In addition, we facilitated 265 external training programmes, providing employees with opportunities to learn from industry professionals, gain exposure to best practices, and expand their professional networks.

1. Training Participation and Hours

The Bank demonstrated a strong commitment to talent development in 2024, with a marked increase in both the volume and intensity of training activities compared to the previous year.

Year	Total Training Hours	Average Hours per Staff
2023	156,967	65 hours
2024	197,598	78 hours

The 26 percent increase in total training hours and the 20 percent rise in average hours per staff reflect enhanced efforts to equip employees with critical skills aligned to evolving business needs. The uplift also indicates a stronger emphasis on continuous learning, leadership development, and functional upskilling across all levels of the organisation.

This strategic investment in learning and development supports workforce agility, reinforces a culture of high performance, and strengthens organisational readiness for future challenges.

2. Supporting Continuous Learning and Leadership Growth

The Bank is committed to equipping employees with the skills, knowledge, and competencies required to perform effectively and stay aligned with evolving industry standards, regulatory expectations, and organisational goals.

As a full-fledged Islamic banking institution, the Bank places strong emphasis on:

- Shariah compliance
- Leadership development
- Technical and functional training

These areas are prioritised to support both organisational growth and individual performance across all levels.

3. Advancing Academic Excellence

In support of continuous learning and career advancement, the Bank encourages employees to pursue higher education. Through a strategic collaboration with DRB-HICOM University, Bank Muamalat offers full sponsorships for its Master of Business Administration (MBA) programme to eligible employees.

- 10 employees are currently enrolled in the programme (both full-time and part-time), with expected graduations in February and June 2026.

4. Professional Certification Support

To foster professional growth and role-based competencies, the Bank continues to support employees in obtaining relevant certifications. These certifications strengthen technical proficiency and ensure that employees are equipped to meet the demands of their respective functions. As of 31 December 2024, a total of 128 employees have attained professional qualifications, including:

- Associate Qualification in Islamic Finance (AQIF)
- Intermediate Qualification in Islamic Finance (IQIF)
- Islamic Professional Credit Certification (IPCC)
- Certificate in Anti-Money Laundering (CAML)
- Certified Shariah Practitioner (CSP)
- Islamic Financial Planner (IFP)

5. Leadership Development

In 2024, the Bank intensified its efforts to nurture effective leadership across all levels of the organisation.

- On 18th October 2024, Bank Muamalat hosted a leadership conference titled "Elevating Leadership: A Mentorship Journey" at its headquarters. The event focused on empowering leaders with practical tools and perspectives to lead through mentorship.

Following the conference, the Bank launched the "Elevate Your Leadership" programme, delivered across four cohorts for Heads of Division, Department, and Team Leaders. The programme aimed to develop core leadership capabilities such as collaboration, team-building, and positive relationship management.

Additional leadership development programmes included:

- Coaching and Mentoring
- Crucial Conversations for Mastering Dialogue
- Leading with Empathy
- Masterclass in Behavioural Psychological Leadership
- Situational Leadership II

To support newly promoted leaders, the Bank delivered four sessions of the "First-Time Managers" programme, focused on strategic thinking, business acumen, problem solving, and decision making. Additionally, the "Leadership Mastery: Essential Competencies for Driving Team and Business Success" programme was introduced for newly promoted middle and senior management staff. The programme builds critical leadership competencies and cultivates a growth-oriented mindset essential for success in leadership roles.

SOCIAL

M9

COMMUNITY DEVELOPMENT: STRENGTHENING SOCIAL IMPACT THROUGH ISLAMIC SOCIAL FINANCE

Why This Matters

Our commitment to community development is rooted in the principles of Maqasid al-Shariah, guided by the Value-Based Intermediation (VBI) framework, and aligned with the United Nations Sustainable Development Goals (SDGs). These guiding frameworks emphasise holistic well-being, ethical and responsible financial practices, and long-term sustainability, values that are central to our purpose of Creating Better Lives, Together.

By embedding these principles into our community-focused initiatives, we aim to address social disparities, uplift underserved segments, and promote inclusive growth. This integrated approach reflects our belief that lasting progress can only be achieved when economic advancement is paired with social responsibility, ensuring that no one is left behind.

Our Approach

Our approach to community development is driven by values and focused on delivering tangible outcomes. We integrate the principles of Maqasid al Shariah and VBI into every initiative, ensuring that our efforts address real needs in areas such as education, health, economic empowerment, and social support.

We work closely with stakeholders including State Islamic Religious Councils, non-governmental organisations, and community partners to design and deliver programmes

that create long lasting impact. Through innovative funding models such as cash waqf, dedicated social funds, and digital crowdfunding platforms, we channel resources effectively while upholding transparency and trust.

By empowering individuals and communities through structured, inclusive efforts, we aim to build a more resilient society and contribute to sustainable development for future generations.

Key Actions and Outcomes

1. Wakaf Muamalat Initiative

In collaboration with various State Islamic Religious Councils, the Bank continued to advance the Wakaf Muamalat initiative, with the cash waqf fund managed through a Joint Management Committee. In FY2024, total waqf collections reached RM897,775.24, while RM1,936,605.61 was approved to support 16 projects nationwide, focused on education, healthcare, and economic empowerment.

2. Tabung Mawaddah Fund

During the year, the Bank disbursed a total of RM2,041,216 under the Tabung Mawaddah Fund, extending financial assistance to both Asnaf and non-Asnaf recipients. The fund was utilised to address needs in social welfare, education, and health-related matters, further strengthening our role in inclusive community development.

3. Jariah Fund Crowdfunding Portal

Through the Jariah Fund crowdfunding portal, the Bank partnered with five selected non-governmental organisations to launch nine campaigns focused on health, education, and economic empowerment. This initiative successfully raised RM90,858.28 in FY2024, showcasing the power of collective giving in addressing social challenges.

4. Creating Better Lives, Together with the Community through CSR

In 2024, the Bank remained committed to supporting underprivileged communities through a series of impactful corporate social responsibility (CSR) initiatives under the theme Better Lives, Together. These efforts were designed to uplift lives and foster meaningful connections with those in need.

During the year, the Bank disbursed a total of RM362,606.00 in donations, benefiting over 9,000 individuals and groups. Recipients included orphans and orphanages, low-income families, mosques, welfare homes, schools, educational institutions, and students. Through these initiatives, the Bank continues to uphold its role as a responsible and compassionate financial institution dedicated to advancing social well-being.

5. Sponsorship Programme

Support for Various Institutions: In FY2024, the Bank continued to support meaningful causes through its sponsorship and contribution programme, aimed at fostering social development and institutional support. A total of RM398,000.00 was distributed to over 100 institutions, including welfare homes, educational institutions, non-governmental organisations (NGOs), and other community-focused entities. This initiative reflects the Bank's ongoing commitment to advancing social well-being and strengthening partnerships that create lasting impact.

Through these initiatives, Bank Muamalat has demonstrated its commitment to social welfare and ethical banking practices, aligned with Maqasid al-Shariah and VBI principles. By integrating these principles into our community development efforts,

we not only create positive social impact but also contribute to sustainable economic growth and promote inclusive prosperity. Our ongoing dedication to community development underscores our role as a responsible corporate citizen, striving to create Better Lives, Together with the community, and uphold the values of compassion, fairness, and integrity in all our endeavours.

Aligned with our commitment to the United Nations Sustainable Development Goals (SDGs), our initiatives actively contribute to achieving global targets such as poverty alleviation, quality education, and good health and well-being. By supporting these SDG goals, we aim to foster a more equitable and sustainable future for all, reinforcing our mission to create positive change and empower communities worldwide.

M10

FINANCIAL INCLUSION: EMPOWERING COMMUNITIES THROUGH ACCESSIBLE BANKING

Why This Matters

In line with its vision to be a leading Islamic bank that is accessible to all, Bank Muamalat remains deeply committed to advancing financial inclusion. This commitment ensures that individuals and businesses, regardless of their socioeconomic background, have access to affordable and quality financial services.

Financial inclusion is a powerful driver of economic empowerment. It plays a vital role in reducing poverty, narrowing inequality, and supporting sustainable economic

growth. By expanding access to financial services, Bank Muamalat enables individuals and businesses to manage their finances more effectively, build resilience against economic challenges, and pursue long term financial goals.

These efforts not only strengthen the economic well-being of communities but also reflect the Bank's mission of *Creating Better Lives, Together* through inclusive and meaningful financial solutions.

Our Approach

Bank Muamalat adopts a collaborative and innovation-driven approach to financial inclusion. We design solutions that are accessible, relevant, and sustainable for underserved populations, especially micro entrepreneurs and communities in remote areas.

Through strategic partnerships with government agencies and local stakeholders, we tailor our offerings to address specific community needs by integrating financial access with structured training, entrepreneurship support, and digital tools, our approach ensures that inclusion is not just about access, but also about empowerment and long-term impact.

SOCIAL

Key Actions and Outcomes

1. iTEKAD Programme Expansion

The Bank continued its efforts to promote financial inclusion by implementing targeted initiatives that provide underserved communities, particularly micro entrepreneurs, with access to affordable and sustainable financial services.

A key milestone in FY2024 was the successful onboarding of participants under the i-PUSH programme, delivered as part of the broader iTEKAD initiative in collaboration with the Pahang State Government. This programme aims to support entrepreneurship development by combining financial support with capacity building.

During the year, the Bank utilised a total of RM1,555,388.56 from the iTEKAD Grant to provide seed capital to eligible micro entrepreneurs. In addition, 1,257 participants completed structured training under the iTEKAD Mahabbah programme, equipping them with essential business and financial knowledge to enhance their long-term resilience and income potential.

2. Enabling Financial Access for All

Bank Muamalat continued to play a proactive role in advancing financial inclusion, aligning with Bank Negara Malaysia's Policy on Lending and Financing to the Priority Sector and the broader national agenda to uplift underserved communities. The initiatives are designed to extend meaningful financial access to lower and middle-income segments while contributing to inclusive economic growth.

In 2024, the Bank introduced and enhanced targeted offerings such as the SMART Mortgage Solution and SMART Home Package, aimed at supporting first-time homebuyers. Bank Muamalat also actively participated in national home financing schemes including Syarikat Jaminan Kredit Perumahan (SJKP) and Skim Rumah Pertamaku (SRP), both of which enable access to financing for individuals with limited or informal income, such as the self-employed and micro-business owners. These schemes provide financing up to RM300,000 (SJKP) and RM500,000 (SRP), with favourable features such as up to 110 percent margin of financing and waiver of ancillary costs.

Beyond housing, the Bank continued to offer accessible financing options to meet essential needs such as motor vehicle ownership and cash flow improvement, thereby supporting the financial stability and upward mobility of our customers. To ensure reach and scalability, we leveraged our network of 70 branches and enhanced our digital banking platforms to deliver convenient, user-friendly, and inclusive financial services across diverse customer segments and geographic areas.

3. Bank Bergerak Initiative

The Bank Bergerak initiative offers essential banking services in rural areas, including Ar-Rahnu financing, inter-bank fund transfers, financing payments, and cash deposits and withdrawals. Through this initiative, a total of RM4.1 million in financing was processed, with 7,931 transactions completed. This service significantly enhances access to financial services for underserved communities and customers in limited access and rural areas.

These initiatives have significantly enhanced financial inclusion and economic resilience among underserved communities. By providing access to micro-financing, digital banking solutions, and comprehensive support programmes, we empower individuals to achieve financial independence and contribute to inclusive economic growth. Our efforts underscore our dedication to creating Better Lives, Together with the community, while advancing towards our goal of achieving sustainable development and fostering a more equitable society for all.

4. Expanding Financial Inclusion through Digital Innovation

Bank Muamalat continues to advance financial inclusion by leveraging digital innovation to provide wider, more equitable access to banking services. Through the launch and ongoing enhancement of the ATLAS Digital Banking, we aim to make financial services more accessible, affordable, and user-centric, particularly for underserved and mobile-first segments of the population.

Key initiatives include:

- ▶ End-to-end digital onboarding for Savings Accounts, allowing customers to open accounts anytime and anywhere without the need to visit a physical branch. The process is fully enabled through secure eKYC authentication, promoting ease of access and convenience.
- ▶ Beyond conventional financial offerings, ATLAS also provides Lifestyle and Faith-based features such as rewards wallets, prayer times, Islamic calendar, and inspirational content, at no additional cost. These differentiators ensure the platform reflects the everyday needs and values of its customers.
- ▶ As part of our inclusive banking strategy, we collaborated with Financial Link Sdn Bhd to facilitate the onboarding of foreign customers. While the onboarding process is currently conducted at selected branches, plans are in place to fully digitalise this journey. By 31 December 2024, 50 foreign worker savings accounts were successfully onboarded under this initiative.

The Bank also launched a strategic collaboration with MyDigital ID Sdn Bhd in support of the government's Digital ID initiative. Bank Muamalat has joined as a Marketing Partner via our corporate website and is actively participating in sandbox testing hosted by Bank Negara Malaysia, with completion targeted by Q2 FY2025.

To ensure secure and scalable access nationwide, the ATLAS platform is supported by strong technical infrastructure. It is hosted on Google Cloud Platform (GCP) with advanced data encryption and protected by Multifactor Authentication (MFA) and biometric login features to safeguard customer accounts.

Summary of significant outcomes:

- ▶ Successfully met the financing targets under Bank Negara Malaysia's affordable housing criteria, supporting home purchases priced up to RM250,000 in Peninsular Malaysia and RM300,000 in Sabah and Sarawak.
- ▶ Continued to enable homeownership for low- to medium-income individuals, including those without fixed income, through accessible and responsible financing.
- ▶ Expanded financial access through physical and digital channels, helping bridge inclusion gaps across urban and semi-urban communities.
- ▶ Demonstrated alignment with VBI by embedding inclusivity, fairness, and responsible financial solutions across our consumer offerings.
- ▶ Through the ATLAS platform, the Bank significantly lowered barriers to financial access, allowing individuals—regardless of location or schedule to open a savings account with a seamless digital experience.
- ▶ Successfully onboarded underserved customer segments, including foreign workers, reinforcing our commitment to inclusive banking and alignment with Bank Negara Malaysia's financial inclusion agenda.

Embedded lifestyle and spiritual features into our digital banking proposition, enhancing customer experience and differentiating Bank Muamalat as a values-based financial provider.

Supported Malaysia's broader digital transformation by taking part in MyDigital ID's national sandbox, contributing to a secure and inclusive digital identity ecosystem.

Contributed to the national financial inclusion agenda and supported the United Nations Sustainable Development Goals, particularly:



SDG 1: No Poverty – through access to basic financial services



SDG 8: Decent Work and Economic Growth – by supporting micro-entrepreneurs and small business operators



SDG 10: Reduced Inequalities – by enabling underserved communities to participate in the formal financial system



SDG 11: Sustainable Cities and Communities – through inclusive home financing solutions

ENVIRONMENTAL



SDG 12.2

Sustainable management and use of natural resources

SDG 12.5

Substantially reduce waste generation

SDG 12.6

Encourage companies to adopt sustainable practices and sustainable reporting



ENVIRONMENTAL

M3 M4 M5

CARBON MANAGEMENT: MINIMISING ENVIRONMENTAL IMPACT

Why This Matters

Bank Muamalat recognises that reducing our environmental footprint is not only a sustainability imperative but a core responsibility as a values-based financial institution. Climate risks are accelerating, and the role of the financial sector in supporting the transition to a low-carbon economy has never been more critical. Our carbon management strategy reflects our commitment to operational efficiency, compliance with environmental regulations, and alignment with national and global climate goals.

Environmental stewardship supports cost savings, improves business continuity, and strengthens stakeholder trust. It also positions us to better support our customers and communities through sustainable financing, advisory, and investment practices.

Our Approach

Bank Muamalat's carbon management framework is guided by four priorities:

- Operational efficiency - Monitoring and optimising electricity, water, and fuel use across branches and headquarters to minimise wastage and emissions
- Data-driven disclosure - Calculating GHG emissions aligned with Scope 1, 2, and 3 definitions to assess and manage environmental impact
- Climate risk integration - Embedding climate-related risks into credit assessments and portfolio evaluations using ESG Scorecards and BNM's Climate Change and Principle-Based Taxonomy (CCPT)
- Stakeholder engagement - Driving awareness and participation across employees, customers, and partners to align with broader national and global climate goals

With rising expectations from regulators, investors, and the public, financial institutions are expected to lead the transition to a low-carbon economy. In response:

- ESG Scorecard assessments are applied to evaluate customer-level climate risk exposure
- High-risk customers are required to develop mitigation plans, with specific timelines and CCPT classification alignment
- Climate-related indicators are embedded into risk appetite statement and annual credit reviews
- Bank Muamalat has initiated the integration of climate objectives into the overall risk management framework

These practices not only mitigate environmental risks in our portfolio but also help redirect capital away from high-emission activities toward sustainable outcomes.

ENVIRONMENTAL

Key Actions and Outcomes

1. Resource Efficiency Initiatives

Energy, Water, and Fuel Use (FY2024 – HQ and Branches)



Electricity

8,613,135 kWh



Water

54,612 m³



Petrol

516,545 litres



Diesel

19,927 litres

Key energy-saving measures implemented



Reduction of lighting during non-peak hours



Shortened chiller operation times



Lowered water pump pressure at Menara Bumiputra



Transition to low-wattage lighting to reduce power load

Electricity cost breakdown at HQ (Jan-Dec 2024)



Total

RM2,642,705.42



Total consumption

4,035,779 kWh

FY2023 & FY2022 (Both HQ & Branches)



Electricity

FY2023 8,006,480.36 kWh

FY2022 8,036,309.64 kWh



Water

FY2023 144,276.94 m³

FY2022 153,597.27 m³



Petrol

FY2023 445,292.01 litres

FY2022 388,495.19 litres



Diesel

FY2023 22,773.15 litres

FY2022 19,783.63 litres

2. Food Waste Management

To address waste and promote responsible consumption, the Bank implemented structured monitoring and donation programmes.

Initiatives:



Surplus edible food was donated to Masjid Jamek and KPC contract workers

Daily tracking and categorisation of food waste (e.g., preparation, plate waste) were enforced



Total food waste in 2024

3,760.90 kilograms

Months	Total Kg
January	191.50
February	240.80
March	181.30
April	158.30
May	335.00
June	287.50
July	376.50
August	381.60
September	356.40
October	433.00
November	420.80
December	398.20
Sum	3,760.90

3. Greenhouse Gas (GHG) Emissions Overview

GHG emissions in the banking sector primarily originate from internal operations (such as electricity use and business transportation) and externally through financed activities. The emissions are categorised as follows:

Scope 1: Direct emissions

These are emissions from sources owned or controlled by the Bank. Examples include:

- Fuel combustion in company-owned vehicles
- Backup generators (if any)

Scope 2: Indirect emissions

These are emissions from the generation of purchased electricity used by the Bank. Examples include:

- Electricity for lighting, air conditioning, servers, and ATM networks in branches and headquarters

Scope 3: Other indirect emissions

These emissions occur due to the Bank's activities but originate from sources not owned or directly controlled by the Bank. Examples include:

- Employee commuting
- Business travel by air, rail, or car
- Waste generation from operations
- Emissions related to paper and office supply consumption

ENVIRONMENTAL

Scope 1: Direct Emissions from Fuel



Petrol (2024)

516,545 litres



approx. 1,204 metric tonnes CO₂e



Diesel (2024)

19,927 litres



approx. 52 metric tonnes CO₂e



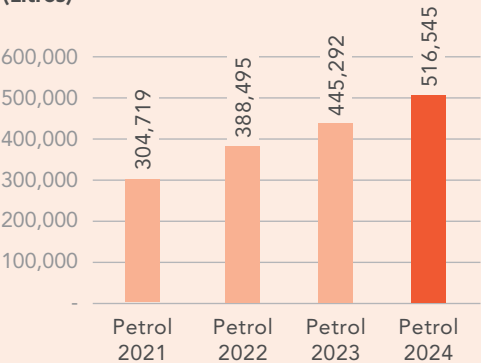
Total Scope 1 (2024)

1,256 metric tonnes CO₂e

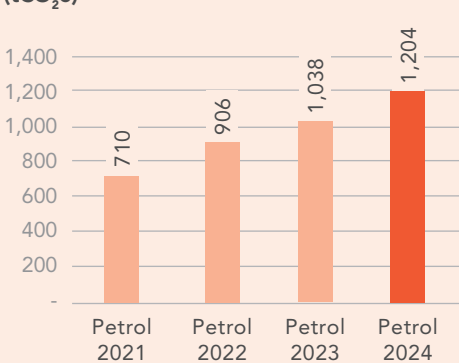
These emissions increased by 19% year-on-year due to more sales activities, departmental expansion, and outreach programmes. The slight decrease in diesel emissions reflects more effective fuel management.

Petrol Consumption Per Year (Litres) 2021 – 2024.

Petrol Consumption Per Year (Litres)

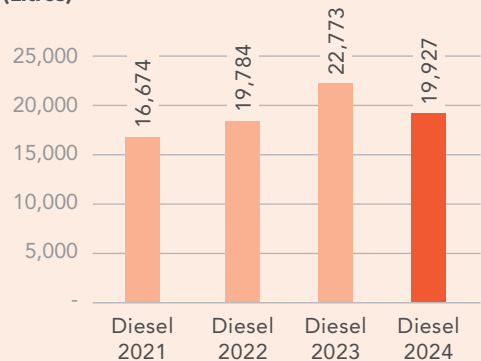


GHG Emissions from Petrol Consumption (tCO₂e)

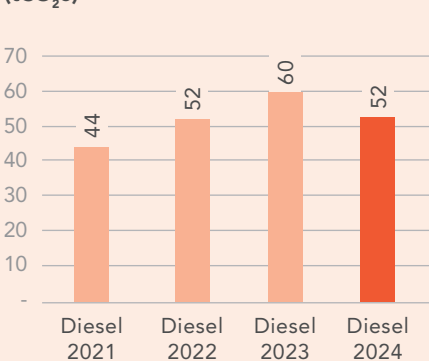


Diesel Consumption Per Year (Litres) 2021 – 2024.

Diesel Consumption Per Year (Litres)



GHG Emissions from Diesel Consumption (tCO₂e)



Scope 2: Emissions from Electricity



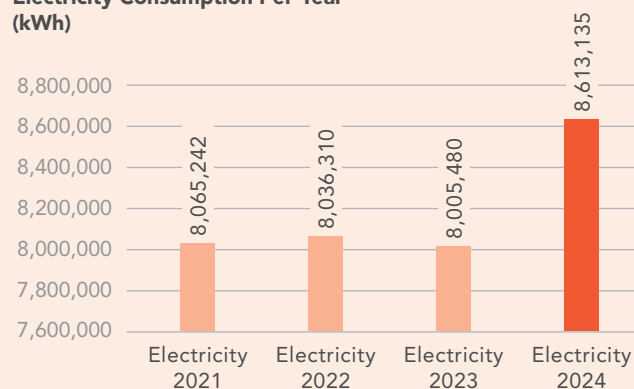
Electricity-related emissions (2024)

6,500 metric tonnes CO₂e

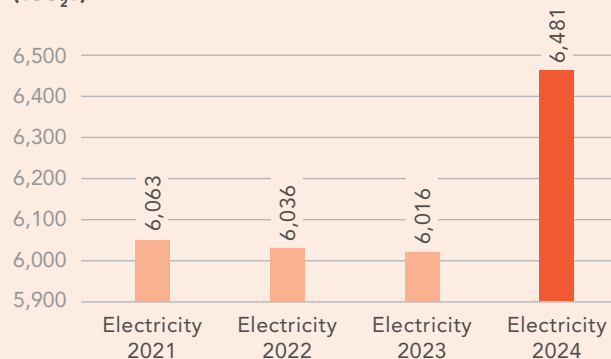


This reflects an increase over previous years due to higher electricity demand driven by digital infrastructure, more ATMs, and warmer weather conditions.

Electricity Consumption Per Year (kWh)



GHG Emissions from Electricity Consumption (tCO₂e)



Scope 3: Indirect Emissions

Scope 3 emissions capture the indirect environmental impacts arising from activities not owned or directly controlled by the Bank. In FY2024, Bank Muamalat reported two key contributors under this category: employee commuting and business travel by land.

Employee Commuting

Emissions from employee commuting remain the largest component of our Scope 3 footprint. In FY2024, commuting activities generated a total of 2,849 metric tonnes of CO₂, based on an aggregate travel distance of 14.16 million kilometres. Higher emissions from branches reflect greater geographic dispersion, with many staff relying on personal vehicles due to limited access to public transport, especially in semi-urban and outlying areas.



Headquarters:

1,195
metric tonnes CO₂e



Branches:

1,654
metric tonnes CO₂e

Business travel (by land)



114.15
metric tonnes CO₂e



702,936.94
total distance travelled (km)

Employee commuting remains the largest contributor to Scope 3 emissions, particularly across branches where access to public transport may be limited.

Scope	Scope 1	Scope 2	Scope 3 (Commuting)	Scope 3 (Travel)	Total
Emissions (tCO ₂ e)	1,260	6,500	2,849	114.15	10,983.15

DATA ON MATERIAL MATTERS

M11 CUSTOMER EXPERIENCE

Customer Satisfaction Survey

The Bank improved its overall customer satisfaction score by 2.13% in FY2024. Its scores across all touchpoints increased and continued to be in the 80 percentile

Category/Touchpoints	FY2023	FY2024	Variance
No. of respondents	500	500	0
Overall Customer Satisfaction Index	94%	96%	2
Branches	92%	98%	6
Contact Centre	84%	96%	12
Internet Banking	91%	95%	4
Mobile Banking	89%	95%	6
Self-service Terminals	91%	94%	3

Complaints

The number of complaints in FY2024 has decreased by 12.96% compared to FY2023. On resolving complaints received by our customers, the Bank ensured prompt turnaround time to avoid customers' dissatisfaction. 68.88% of complaint cases were resolved within 2 working days. Fraud cases in FY2024 have increased by 32.46% compared to FY2023.

Turnaround Time for Complaint Resolution	Number of Complaints Resolved	Percentage (%)
0 – 2 Working Days	2,623	66.88%
3 – 5 Working Days	659	16.80%
> 5 Working Days	640	16.32%
Total	3,922	100%

Complaints by Category	No. of Complaints	%
Internet Banking Related	1,901	25.54%
Self-Service Terminal Related	10	0.13%
Fraud	3,522	47.31%
Branch Services	51	0.69%
Delay in Preparing Home Financing Statement for EPF Withdrawal	0	0
Others	1960	26.33%
Total	7,444	100.00%

Phone Calls

Based on the average monthly call received at Contact Centre, there is a decrease of 32.20% in FY2024 compared to the previous year. The Bank achieved an effective abandonment call rate of 9.26%.

Category	FY2023 (period ended 31 December 2023)	FY2024	Variance
Total Calls	791,107	536,335	-32.20%
Total Answered Calls	448,011	442,324	-1.27%
% Answered Calls	56.63%	82.47%	+25.84%

The top 3 categories of calls were Internet Banking (38%), Product & General (22%), and Financing Application (11%). A high volume of calls were due to issues relating to online banking, unauthorised debit card transactions, and an increase in the number of internet banking users, as well as an increase in the number of calls pertaining to financing assistance inquiries.

Category	FY2023 (period ended 31 December 2023)	FY2024	Variance
Internet Banking	314,950	204,055	-35.21%
Product and General	290,582	117,191	-59.67%
Financing Application	74,426	59,900	-19.52%

Calls received on Internet Banking FY2024 decreased by 35.21% as compared to FY2023. Product and General enquiries had also decreased by 59.67%, and Financing Application issues decreased by 19.52% compared to FY2023.

DATA ON MATERIAL MATTERS

M6 EMPLOYMENT

Bank Muamalat is dedicated to its people, recognising that a committed and skilled workforce is fundamental to sustained growth and long-term resilience. As at 31 December 2024, our team comprised 2,508 employees, reflecting a balanced and inclusive environment with a composition of 55% male and 45% female.

This year, our team expanded with the addition of 481 new employees, a testament to the strength of our brand and our compelling market position. While the departure of 385 employees during the year necessitated close monitoring, it also provided us with valuable insights. In response, we have actively focused on enhancing our employee value proposition to foster greater retention, career development, and a culture that encourages every individual to thrive and grow with us.

	Age group				Gender			HQ/Branches		
	Under 30 years old	30-50 years old	Over 50 years old	Total	Male	Female	Total	HQ	Branches	Total
New hires	240	232	9	481	230	251	481	164	317	481
Turnover	175	187	23	385	200	185	385	120	265	385

The Bank had 831 employees at Managerial level, 1,479 at Executive level and 198 at Non-Executive level.

Employees by Position Level	By Employee Category			By Age Group			
	Male	Female	Total	Under 30 years old	30-50 years old	Over 50 years old	Total
Managerial	447 (54%)	384 (46%)	831	12 (3%)	607 (37%)	212 (58%)	831
Executive	663 (45%)	816 (55%)	1,479	426 (86%)	929 (56%)	124 (34%)	1,479
Non-Executive	120 (61%)	78 (39%)	198	56 (11%)	111 (7%)	31 (8%)	198

FY2024 Workplace Related Injuries

Category	Description	No. of Cases
Occupational Disease	Disease or disorder developed due to exposure in the workplace and diagnosed by Occupational Health Doctor. Example: Slip Disc, Carpal tunnel Syndrome	5
Workplace Accidents (Less than 4 days of medical leave)	Unforeseen event that leads to injury or casualty to employees or third party in the Bank’s premises, and causing no more than 4 days of medical leave. Example: Fall on same level, at lobby, in toilet or surau	5
Workplace Accidents (More than 4 days of medical leave)	Unforeseen event that leads to injury or casualty to employees or third party in the Bank’s premises, and causing loss of 5 consecutive working days. Example: Slip, trip and falls	3
Commuting Accidents	Accidents that occur while travelling to and from office or any other work-related activities during working hours.	12

Employee Benefits

Benefits are provided to full-time employees only, by significant locations of operation.

Employee benefits	Senior Management	Managerial	Executive	Non-Executive
Takaful Coverage ¹	√	√	√	√
Healthcare ²	√	√	√	√
Disability and invalidity coverage ³	√	√	√	√
Parental leave ⁴	√	√	√	√
Retirement provision ⁵	√	√	√	√
Stock ownership	N/A	N/A	N/A	N/A
Compassionate Leave ⁶	√	√	√	√
Other Types of Leave ⁷	√	√	√	√
FlexibleWork Arrangement ⁸	√	√	√	√
Other Allowances ⁹	√	√	√	√
Membership with Professional Bodies ¹⁰	√	√	N/A	N/A
Staff Financing ¹¹	√	√	√	√

¹ Includes Group Term Takaful and Critical Illness (only applicable to senior management and managerial staff)

² Includes medical benefits, dental benefits, optical benefits, executive health screening and child delivery charges

³ Includes Group Personal Accident, SOCSO, Employee Insurance Scheme (EIS)

⁴ Includes maternity leave and paternity leave

⁵ Includes additional EPF employer contribution, early retirement and pre-retirement leave (only applicable to executives and non-executives)

⁶ Includes death of family members, natural disaster and immediate family being hospitalised

⁷ Includes annual leave, sick leave, hospitalisation leave, prolonged illness leave, marriage leave, hajj leave and examination leave

⁸ Includes staggered work hours and reduced work hours

⁹ Includes warm clothing allowance for travelling to temperate countries, acting/relief allowance, regional allowance (only applicable to East Malaysia), outstation duty allowance

¹⁰ Includes professional membership (only applicable to senior management and managerial staff)

¹¹ Includes Staff Sundry Financing, Staff Structured Personal Financing, Staff Bicycle Financing, Staff Vehicle Financing, Muamalat Car Scheme (VP and above), Staff House Financing and Staff ASB Financing

DATA ON MATERIAL MATTERS

M8 TRAINING AND EDUCATION

Average hours of training per year per employee by gender, and by employee category:

Employee Training Hours by Gender	Male	Female
Number of employees (headcount or full-time equivalent)	1,230	1,278
Number of training hours provided	92,440.45	102,071.35
Average training hours per employee	75	80

Employee Training Hours by Position	Management	Managerial	Executive	Non-executive
Number of employees (headcount or full-time equivalent)	15	778	1479	198
Number of training hours provided	1,924.65	69,888.38	117,267.12	5,431.65
Average training hours per employee	128	89	79	27

Programmes conducted for skills management and lifelong learning that enhance learning and skills for current employees:

Type of programmes	Programme 1	Programme 2
	Functional	Technical
Scope of programmes	All Staff	All Staff

Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

Type of programmes	Programme 1	Programme 2
	Leadership	Core
Scope of programmes	Middle to Senior Management Staff	All Staff

Type of programme	Life, Renewed Pre-Retirement Planning Workshop
Scope of programme	Transitional assistance programmes provided to support employees who are retiring or who have been terminated

Regular Performance and Career Development Reviews

During the year under review, the total number of employees who received regular performance and career development reviews was 2,508.

Number of employees who received regular performance and career development reviews by gender	Male	Female
Number of employees who received regular performance and career development reviews	1,230	1,278
Percentage of employees who received regular performance and career development reviews (%)	49%	51%

Number of employees who received regular performance and career development reviews by position level	Managerial	Executive	Non-Executive
Total number of employees	831	1,479	198
Number of employees who received regular performance and career development reviews	831	1,479	198
Percentage of employees who received regular performance and career development reviews (%)	33%	59%	8%

DATA ON MATERIAL MATTERS

M7 DIVERSITY AND EQUAL OPPORTUNITY

Bank Muamalat strives to develop and promote a culture of diversity and equality throughout the organisation. We continue to ensure no single employee is treated differently to one another by giving them chances to achieve their potential.

The Bank has a total of 2,508 employees as of 31 December 2024. There are 1,202 employees at HQ level and 1,306 employees at Branch level.

By Gender

	Male	Female
Bankwide (Total Employees 2,508)		
Total number of employees Bankwide	1,230	1,278
Percentage within the governance body (%)	49%	51%
HQ (Total Employees 1,202)		
Total number of employees at HQ	614	588
% of men or women within the governance body	51%	49%
Branches (Total Employees 1,306)		
Total number of employees at Branches	616	690
% of men or women within the governance body	47%	53%

Diversity of Governance Bodies by Gender

Governance Bodies	Male	Female
Board Member	7	1
Shariah Committee	6	-
MANCO	14	1

Ratio of Basic Salary and Remuneration of Male to Female

Employee Category	% of Basic Pay by Gender	
	Male	Female
Managerial	59%	41%
Executive	46%	54%
Non-executive	58%	42%
Grand Total	55%	45%

By Ethnicity

	Malay	Indian	Chinese	Others
Bankwide (Total Employees 2,508)				
Total number of employees by ethnicity	2,347	29	53	79
Percentage of employees within the governance body by ethnicity (%)	94%	1%	2%	3%
HQ (Total Employees 1,202)				
Total number of employees by ethnicity	1,129	19	33	21
Percentage of employees within the governance body by ethnicity (%)	48%	66%	62%	27%
Branches (Total Employees 1,296)				
Total number of employees by ethnicity	1,218	10	20	58
Percentage of employees within the governance body by ethnicity (%)	52%	34%	38%	73%

Position Level by Ethnicity

	Malay	Indian	Chinese	Others
Managerial (Total Employees 831)				
Total number of employees by ethnicity	756	17	36	22
Percentage of employees within the employee category by ethnicity (%)	32%	59%	68%	28%
Executive (Total Employees 1,479)				
Total number of employees by ethnicity	1,406	8	15	50
Percentage of employees within the employee category by ethnicity (%)	60%	27%	28%	63%
Non-Executive (Total Employees 198)				
Total number of employees by ethnicity	185	4	2	7
Percentage of employees within the employee category by ethnicity (%)	8%	14%	4%	9%