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SUSTAINABILITY STATEMENT

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Advancing Sustainable Growth for a Better Tomorrow.


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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 2025. It serves to keep stakeholders informed of 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:

International Frameworks

- GRI Sustainability Reporting Standards
- United Nations Sustainable Development Goals (UNSDGs)
- Greenhouse Gas (GHG) Protocol

Malaysia-Specific Frameworks and Regulations

- Bursa Malaysia Main Market Listing Requirements (MMLR)
- Bursa Malaysia Sustainability Reporting Guide
- Securities Commission Malaysia Malaysian Code on Corporate Governance (MCCG)
- Bank Negara Malaysia Climate Risk Management and Scenario Analysis (CRMSA) Policy Document

SUSTAINABILITY @ BANK MUAMALAT

OUR APPROACH TO SUSTAINABILITY

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

Sustainability at Bank Muamalat has moved beyond awareness and become embedded across all operations, with sustainability considerations more deeply integrated into decision-making and clearer accountability held across departments rather than concentrated within a single function.

This progress was underpinned by a reaffirmed commitment to the Value-Based Intermediation (VBI) strategy, with the Value-Based Intermediation Assessment Framework (VBIAF) continuing to guide product development. On climate risk, the Bank completed the Climate Risk Stress Testing (CRST) submission in December 2025, assessing the potential credit loss impacts it may face from both transition and physical climate risks.

The Bank also continued to play an active role in industry platforms shaping the future of sustainable and value-based banking, including the Value-Based Intermediation Committee of Practitioners (VBI CoP) and the Global Alliance for Banking on Values (GABV). Alongside this, our alignment with the Climate Change and Principle-based Taxonomy (CCPT) continued to progress, reflecting ongoing efforts to embed climate considerations into how risk is assessed and managed.

SUSTAINABILITY OBJECTIVES AND CONTRIBUTION TO THE UNSDGs

Bank Muamalat continues to advance our commitment to the United Nations Sustainable Development Goals (SDGs), 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 the Bank's initiatives to improve social well-being, foster inclusive economic development, and safeguard the environment.

This commitment broadened in 2025 with particular emphasis on the Social pillar of the Bank's EESG framework, encompassing social finance activities such as zakat and sadaqah management, waqf programmes, Jariah Fund crowdfunding and iTEKAD distribution, alongside efforts to build economic development and capacity through halal certification support for underserved communities. Collectively, these initiatives strengthen the Bank's contribution to several of the SDGs outlined below, and inform the methodology by which our focus areas are prioritised.

Methodology on UN SDG Alignment

The Bank focuses on the goals most closely aligned with our business activities and spheres of influence. Each of the 17 SDGs and their underlying targets was carefully reviewed to identify where the Bank could deliver the greatest value. From this assessment, seven key goals were selected that best represent the Bank's sustainability priorities and long-term strategic direction, resulting in seven priority SDGs, as shown below:



SUSTAINABILITY @ BANK MUAMALAT

EDUCATION

Aligned to BMMB UN SDG's Targets		Our Contribution
Goal 4 and Goal 10 	• Ensuring access to education for children from underserved communities. • Promoting access to inclusive and equitable education, while also fostering opportunities for lifelong learning.	• Provision of educational assistance, school supplies, and financial aid programmes for underserved students. • Collaboration with community partners, states agencies and institutions to support learning initiatives and educational development programmes.

COMMUNITY EMPOWERMENT

Aligned to BMMB UN SDG's Targets		Our Contribution
Goal 1, Goal 2 and Goal 4 	• Foster sustainable communities that are economically resilient, socially cohesive, and able to access opportunities for better livelihoods, including supporting activities like sports and religious events.	• Support for community development programmes, food aid initiatives, religious activities, and social wellbeing programmes. • Participation in community engagement initiatives that strengthen social inclusion and community resilience.

ENTREPRENEURSHIP

Aligned to BMMB UN SDG's Targets		Our Contribution
Goal 1, Goal 8 and Goal 16 	• Empower entrepreneurship through funding community-led projects and enhance economic opportunities for Asnaf and B40 groups.	• Support for entrepreneurship and livelihood enhancement initiatives through financial assistance, business development support, and capacity building programmes. • Supporting underserved communities in strengthening their income generating capabilities and improving long term economic resilience.

FINANCIAL ACCESSIBILITY

Aligned to BMMB UN SDG's Targets		Our Contribution
Goal 10 	• Promoting financial inclusivity in rural areas with limited access to banking services.	• Expanding access to banking services through outreach initiatives and inclusive financial solutions. • Supporting underserved communities through accessible financial services and financial literacy initiatives.

HEALTHCARE

This initiative contributes to UN SDG 3 and underscores the Bank's broader aspiration to advance sustainable development		Our Contribution
Goal 3 	• Supporting low-income families in accessing quality healthcare. • Supporting the enhancement of medical resources and facilities to improve public health services.	• Contribution towards healthcare assistance, medical aid, and community health programmes for vulnerable groups. • Support for healthcare related initiatives aimed at improving community wellbeing and access to basic medical needs.

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 our 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.

Sustainability Statement

Bank Muamalat Malaysia Berhad embeds ESG considerations into our Shariah-compliant strategies and operations. By aligning with our ethical standards, we strive to create a significant positive impact on our stakeholders, enhance our integrity, secure sustainable and enduring success, and build Better Lives, Together.

Sustainability's Core Pillars

Economic Empowerment	Environmental Sustenance	Community Enablement	Governing Responsibly

Material Matters

M1 Economic Performance	M3 Carbon Management	M6 Employment	M12 Responsible Financing
M2 Entrepreneur Development	M4 Water Management	M7 Diversity and Equal Opportunity	M13 Procurement Practices
	M5 Waste Management	M8 Training and Education	M14 Ethics and Integrity
		M9 Community Development	
		M10 Financial Inclusion	
		M11 Customer Experience	

UN Sustainable Development Goals



Maqasid Shariah

Protection of Faith (Deen)	Protection of Life (Nafs)	Protection of Intellect (Aql)	Protection of Lineage (Nasb)	Protection of Property (Mal)

Success Beliefs

Own It	Build Trust	One Team	Drive Innovation	Move Fast	Delight Customers

STAKEHOLDER ENGAGEMENT

THE SIGNIFICANCE OF STAKEHOLDER ENGAGEMENT

Stakeholder engagement plays a critical role in driving Bank Muamalat's sustainable success. As such, the Bank prioritises 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, six priority stakeholder groups have been identified:



The following comprehensive stakeholder engagement commitments demonstrates Bank Muamalat's commitment to fostering a sustainable and prosperous future for all, while ensuring compliance with regulatory requirements and industry standards. As a responsible financial institution, the Bank strives not only to meet, but to exceed these standards, reinforcing our dedication to ethical and sustainable banking practices.

SHAREHOLDERS & INVESTORS

Purpose of Engagement	• Establish transparent and timely communication, 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.	• Strengthen long-term investor confidence through consistent value creation and sustainable growth performance.
Our Engagement Approach	• Annual reports • Sustainability statements • Financial announcements	• Online communications: emails, corporate websites, and social media • Meetings and discussions
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. • Maintaining sound balance sheet management practices to uphold financial stability. • Integrating elements of VBI 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.
Responses	• Sustainable business strategies, prudent cost management for sustainable financial returns. • Sound balance sheet management. • Integration of VBI elements in business operations. • Ethical and responsible business conduct.	• Strong and experienced management. • Transparent reporting and disclosure. • Sustainability practices across the Bank.

Related Material Matters

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

Related UN SDGs



STAKEHOLDER ENGAGEMENT

CUSTOMERS

Purpose of Engagement	• Engage stakeholders to understand their needs and expectations thoroughly, identifying areas for improvement in our service delivery and enhance customer experience.	• Champion financial literacy initiatives aimed at empowering stakeholders to make well-informed financial decisions. • Support digital adoption and inclusive access to banking services.
Our Engagement Approach	• Branch representatives • Digital touchpoints: Internet banking and digital applications • Online communications: Emails, corporate websites, and social media platforms • Customer service centres	• Call centers • Customer networking events • Marketing campaigns and events • Printed materials • Customer survey
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.
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 and cybersecurity. • 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 Material Matters

- M1 Economic Performance
- M2 Entrepreneur Development
- M10 Financial Inclusion
- M11 Customer Experience
- M12 Responsible Financing
- M14 Ethics and Integrity

Related UN SDGs



BUSINESS PARTNERS

Purpose of Engagement	• To ensure mutual understanding and alignment of goal, objectives, and expectations for better collaboration, more efficient operations, and improved customer service.	
Our Engagement Approach	• Online communications: Emails, corporate website, and social media • Formal and informal engagements	• e-Procurement system
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.
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 Material Matters

- M1 Economic Performance
- M11 Customer Experience
- M13 Procurement Practices
- M14 Ethics and Integrity

Related UN SDGs



REGULATORY AGENCIES & STATUTORY BODIES

Purpose of 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.
Our Engagement Approach	• Online communications: Emails, corporate website, and social media • Formal and informal engagements	• e-Procurement system
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.
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 VBI elements into risk management practices. • Ensured timely and transparent reporting to regulatory agencies and statutory bodies.	• Actively participated in VBI 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 CCPT Subgroup for Small Medium Enterprises (SMEs), leading the development of sectoral guides tailored for high-emitting carbon sectors within the SMEs sector.

Related Material Matters

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

Related UN SDGs



LOCAL COMMUNITY

Purpose of 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.
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
Stakeholders' Expectations	• Financial and VBI 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.
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 Material Matters

- M2 Entrepreneur Development
- M10 Financial Inclusion
- M9 Community Development
- M11 Customer Experience

Related UN SDGs



STAKEHOLDER ENGAGEMENT

EMPLOYEES

Purpose of 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.
Our Engagement Approach	• Internal portal and emails • Social and recreational activities	• Employee engagement surveys and programmes • Employee performance reviews
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.
Responses	• Enhanced task delegation and improved 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. • Enhanced employee wellbeing and engagement initiatives.

Related Material Matters

- M6 Employment
- M7 Diversity and Equal Opportunity
- M8 Training and Education
- M14 Ethics and Integrity

Related UN SDGs



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 VBI 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.

Association	Our Role & Contributions
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 the CCPT Implementation Group contributing to cross-industry alignment and effective adoption of the taxonomy.
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.
Partnership for Carbon Accounting Financials (PCAF)	◉ Alignment with PCAF Standards enhances the comparability, consistency, and transparency of financed emissions disclosures. ◉ The Bank's continued participation supports data driven climate accountability and strengthens the integration of climate considerations across financing portfolios.

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. The 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, the Bank has adopted a structured three-step materiality assessment approach. This methodology pinpoints key sustainability matters that affect the Bank's operations, financial performance, and contributions to stakeholders. By doing so, the Bank ensures that our sustainability reporting remains transparent, accountable, and focused on issues that matter most.

This process is conducted through a comprehensive 3-stage assessment to better align with evolving stakeholder expectations and the Bank's business strategy.

Our three-step approach 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:  Standard: • GRI-103: Management Approach 2016 • GRI-201: Economic Performance 2016
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.	

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	• Provide responsive, fair, and high-quality customer service that is essential to maintaining trust and satisfaction.	

SUSTAINABILITY MATTERS

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.

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 capacity-building 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.

SUSTAINABILITY GOVERNANCE STRUCTURE

Board of Directors

- Steers the Bank's sustainability matters, this includes material assessment and sustainability strategy and targets.
- Ensures sustainability matters are taken into account with the aim of integrating a strong sustainability culture throughout the entire Bank.

Board Risk and Compliance Committee (BRCC)

- Establishes sustainability strategies and policies and advises on revisions to the Board Committee.
- Assesses sustainability risks and opportunities, with a specific emphasis on matters related to climate change.
- Examines the process and results of the materiality assessment.

Executive Risk Management Committee (ERMC)

- Advises the Board on strategic sustainability directions.
- Ensures the adoption of sustainability-related policies and standards.
- Periodically reviews the alignment of sustainability strategies and KPIs with the Bank's strategic objectives.

Climate Risk Working Group

- Coordinates the Sustainability Department in managing data and matters related to sustainability targets and reporting.
- Assists the Sustainability Department in the implementation of sustainability initiatives across the Bank.
- Gathers and organises the sustainability data report and data generated by the Sustainability Department.

Sustainability Department

- Ensures that on-ground practices are in line with the Bank's overall sustainability agenda and strategy.
- Assists the senior management in implementing and overseeing sustainability initiatives, and policies and tracking progress against set targets.
- Keeps track of stakeholders' feedback, the latest Bank Negara's requirements, market trends, and peer performances on sustainable development.

SUSTAINABILITY GOVERNANCE

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 our 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 Due Diligence Questions (DDQ) under the 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

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 our 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):

The Bank successfully completed the Climate Risk Stress Testing Exercise in line with the regulatory submission in December 2025. The exercise involved enhancing data capabilities, advancing modelling approaches, and assessing material climate-related exposures. Ongoing efforts are focused on strengthening cross-functional collaboration and embedding the outcomes into the Bank's risk management framework and strategic decision-making.



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



ECONOMIC

M1 Economic Performance: Strengthening Resilience for Future-Ready Growth

WHY THIS MATTERS

A resilient financial position is the foundation of everything Bank Muamalat is able to do for the people and businesses that depend on it. It is what allows the Bank to keep supporting customers through changing economic conditions, invest in the capabilities that will define its future, and continue playing its part in national economic development.

Prudent financial stewardship is part of the Bank's sustainability agenda. By balancing profitability with discipline, and growth with responsible banking practices consistent with Islamic finance principles, Bank Muamalat is better placed to navigate uncertainty and continue creating lasting value for customers, employees, shareholders and the wider economy.

OUR APPROACH

The Bank's growth strategy prioritises portfolio quality, sector diversification and funding resilience over volume for its own sake. Disciplined underwriting and active portfolio monitoring help preserve asset quality, while a diversified financing base across customer segments, industries and products reduces concentration risk and supports earnings stability through economic cycles.

Within Commercial Banking, financing is directed towards sectors that are critical to Malaysia's economic development and resilience, including healthcare, the halal industry, food security, logistics, information and communication technology (ICT), and infrastructure-related supply chains – supported, where appropriate, by government guarantee programmes such as Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) and Credit Guarantee Corporation Malaysia Berhad (CGC). This channels capital towards sectors that matter to the national economy, while the Division continues to prioritise sound credit profiles, strong cash flows and opportunities for deeper banking relationships.

Retail Banking complements this through responsible financing solutions that prioritise customer affordability and long-term portfolio quality. Targeted growth in salary-based personal financing, Skim Jaminan Kredit Perumahan (SJKP)-backed home financing and secured financing supports household financial resilience, while Ar-Rahnu and SME-linked offerings extend access to individuals, micro-enterprises and small businesses that might otherwise find it harder to participate in the formal economy.

Continued investment in digital platforms, payment infrastructure and funding diversification underpins all of this, strengthening operational efficiency, liquidity resilience and the Bank's ability to generate sustainable earnings as the market continues to evolve.

KEY ACTIONS AND OUTCOMES

Commercial Banking growth

Commercial Banking recorded continued growth across financing, deposits and profitability in FY2025, reflecting strong business momentum and deeper customer engagement. Total assets increased to RM2.42 billion from RM2.17 billion the previous year, supported by financing growth across targeted sectors. The commercial financing portfolio expanded to RM1.863 billion, while SME financing within this portfolio grew to RM597.4 million, reflecting the Bank's continued support for Malaysian businesses.

Strengthening SME and commercial financing

The Bank enhanced financing access for businesses through targeted SME and commercial financing programmes, with a strengthened focus on secured financing. Key initiatives included secured SME financing campaigns to support working capital and contract financing, expanded automotive and commercial hire purchase financing, and the PASCAL cross-selling initiative, which brings more comprehensive banking solutions to existing customers. Collaboration with strategic partners and guarantee agencies further extended financing support to eligible businesses.

Advancing digital capabilities and operational efficiency

Digital transformation continued to strengthen the Bank's operational capabilities in FY2025, including expanded digital onboarding, greater process automation, and improved turnaround times. The Bank also advanced its MAP 2.0 initiative, expanding its digital payment platform and strengthening its payment ecosystem through payment gateway services, electronic point-of-sale (ePOS) and Soundbox terminals, growth in merchant acquiring, and the use of metadata to improve customer onboarding and fraud detection.

Enhancing Retail Banking solutions

Retail Banking delivered financing growth in FY2025, supported by targeted expansion in retail assets. Growth in selected segments was moderated as part of a deliberate portfolio rebalancing towards higher-yield, lower-risk assets – a disciplined approach that strengthens portfolio quality and long-term performance rather than pursuing growth for its own sake.

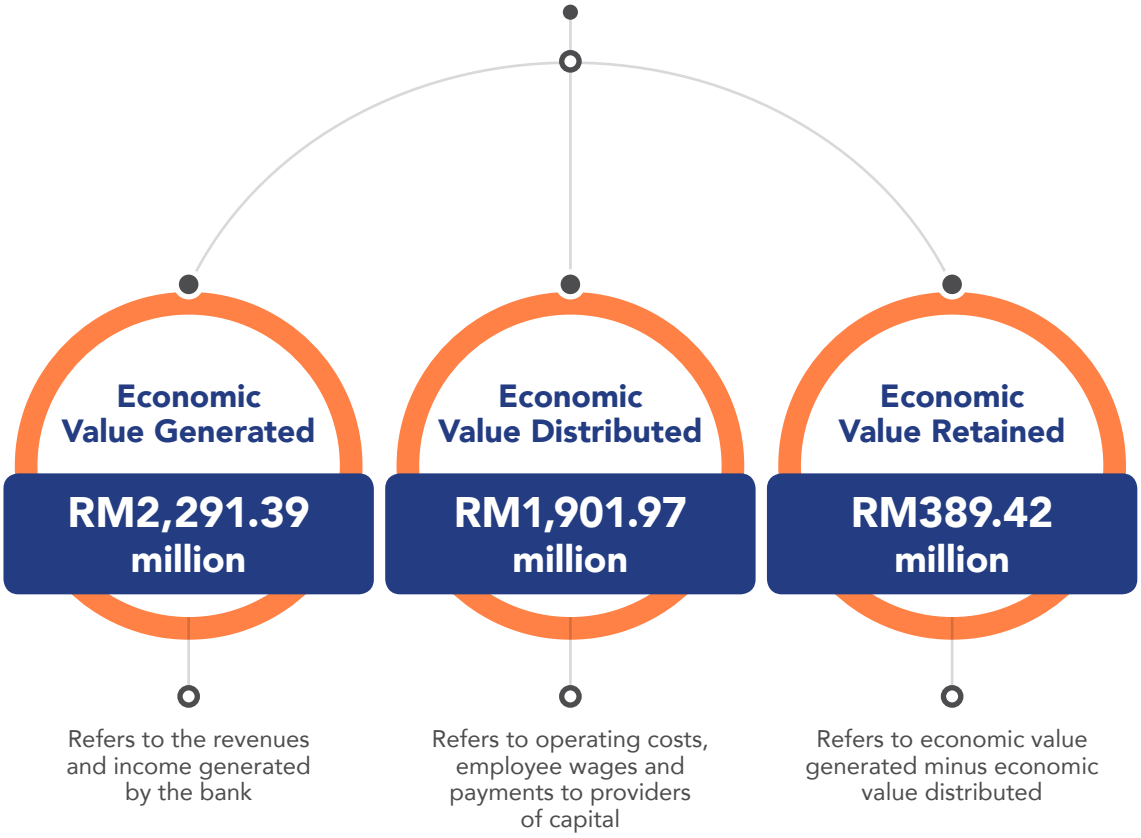
Growing Transaction Banking

Transaction Banking played a growing role in the Bank's economic contribution in FY2025, anchored by the launch of Muamalat Corporate Transaction Banking (MCTB), a one-stop digital channel for Corporate and SME customers. The introduction of eToken for Corporate Mobile Banking enabled real-time approvals and reduced onboarding time for new clients. Current account balances grew to RM10.36 billion from RM8.81 billion in 2024, and average deposits rose to RM8.90 billion from RM8.24 billion, driven by a surge in registered users and the onboarding of key institutional clients. Transaction volumes rose sharply to 286,236 transactions worth RM3.23 billion in 2025, from 8,850 transactions worth RM838.9 million in 2024, a clear signal of growing customer confidence in the Bank's digital transaction banking capabilities, and of the platform's expanding contribution to Malaysia's broader business ecosystem.

Broadening Investment Banking capabilities

The Bank's Investment Banking Division extended its role in Malaysia's capital markets during the year. The Capital Markets & Advisory team successfully managed a series of sukuk issuances in 2025 for Malaysia's largest local development financial institution and the national mortgage corporation, supporting the continued deepening of the domestic Islamic capital market. Muamalat Venture completed its first-ever venture capital fund disbursement, a RM40 million investment in a Shariah-compliant pawnbroking company, extending responsible financing into new corners of the economy. The newly established Equity Capital Markets unit began undertaking equity underwriting and placement activities in 2025, marking a further step in diversifying the Bank's capital markets footprint.

Bank Muamalat remained resilient throughout FY2025, and successfully harnessed opportunities to serve its customers and grow its business responsibly. Key economic value indicators for the year were as follows:



ECONOMIC

M2 Entrepreneur Development: Fostering Growth and Innovation

WHY THIS MATTERS

SMEs and entrepreneurs are among the most important drivers of Malaysia's economic growth, employment and supply chain resilience — and also among the segments most exposed when financing is hard to access. As an Islamic financial institution, Bank Muamalat sees supporting entrepreneurship not only as a commercial opportunity but as a direct expression of its purpose: improving access to financing, strengthening business sustainability, and enabling more inclusive economic participation across underserved and growth sectors.

The Bank's SME-focused initiatives are closely aligned with the Government's agenda to promote entrepreneurship, deepen financial inclusion and strengthen the competitiveness of Malaysian businesses, particularly within key sectors such as the halal industry, logistics, healthcare, ICT, automotive and food security.

OUR APPROACH

Bank Muamalat takes a customer-centric, ecosystem-driven approach to SME and entrepreneur development, offering accessible financing solutions tailored to different stages of the business lifecycle, operational needs and growth ambitions. Financing access is strengthened through SME working capital and contract financing solutions, leasing and hire purchase financing programmes, government-backed guarantee schemes including SJPP and CGC, and simplified onboarding supported by faster turnaround times through digitalisation.

This approach rests on three pillars:

- **Customer-centric Engagement**

  Continuous engagement, advisory sessions and industry collaboration programmes that build business readiness, financing awareness and banking accessibility.

- **Strategic Collaborations**

  Partnerships with government agencies, industry associations and ecosystem players that extend the Bank's outreach and support capabilities for SMEs and emerging entrepreneurs.

- **Digital Banking and Process Enhancement**

  Improvements to customer experience and financing accessibility that enable faster, more efficient financing applications and approvals.

KEY ACTIONS AND OUTCOMES

In 2025, Bank Muamalat continued to expand support for SMEs and entrepreneurs through targeted financing programmes, ecosystem engagements and strategic collaborations across multiple industries, including SME working capital and contract financing, MHP-i and MIHP financing solutions, and supply chain and ecosystem financing initiatives. These were complemented by business engagement sessions and financing awareness initiatives that strengthened SME participation and improved access to banking solutions, while continuous portfolio monitoring and disciplined credit assessment preserved asset quality throughout.

These efforts translated into measurable outcomes across the year:

- Continued financing support for SMEs across commercial, supply chain, automotive and service-related sectors.
- Expansion of secured and guarantee-backed financing programmes, improving accessibility while maintaining prudent risk management.
- Growth in the SME financing portfolio, supported by stronger customer acquisition and relationship expansion.
- Increased engagement with business communities, industry players and strategic partners.

M12 Responsible Financing: Ensuring Sustainable Growth

WHY THIS MATTERS

Responsible financing is at the heart of how Bank Muamalat manages the relationship between growth and the wider effect of its financing decisions. It reflects a commitment to transparent, prudent financing aligned with BNM's expectations, at a time when ESG considerations are becoming central to how financial institutions make credit decisions. To this end, Bank Muamalat's responsible financing reached over 160,000 Malaysians in FY2025.

Going further, embedding ESG factors into credit assessments allows the Bank to make more informed, forward-looking decisions that account for both financial and non-financial risks. Strengthening climate risk management alongside this helps the Bank identify, assess and mitigate vulnerabilities arising from transition and physical climate risks. This develops the kind of long-term portfolio resilience that ultimately protects the Bank's ability to keep serving its customers and stakeholders in a changing environment.

OUR APPROACH

Bank Muamalat takes a structured, forward-looking approach to responsible financing, integrating ESG considerations into financing decisions, risk assessment and governance practices. Key focus areas include:

Regulatory Alignment and Gap Assessment

The Bank takes a proactive approach to maintaining regulatory compliance by regularly reviewing its internal policies and conducting gap analyses to ensure alignment with evolving regulatory requirements. This enables the timely identification of implementation gaps and the development of appropriate action plans to strengthen compliance. Regular assessments are undertaken against key regulatory frameworks, 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 Scorecard Integration

ESG considerations are embedded into the Bank's credit evaluation process through the application of an ESG Scorecard, enabling a systematic assessment of customers' sustainability practices, risk exposures, and alignment with the Bank's long-term sustainability objectives.

Policy Implementation and Transparency

The Bank ensures that internal policies are regularly updated to reflect evolving regulatory requirements and are effectively communicated across the organisation through structured dissemination and training initiatives. This promotes consistent implementation, transparency and accountability across all levels of the Bank.

CCPT Classification Integration

The Climate Change and Principle-based Taxonomy (CCPT) is integrated into the Bank's financing processes to classify and assess customers based on their climate alignment and sector. This supports informed decision-making, portfolio monitoring, and alignment with national climate transition pathways.

Governance and Oversight

Strong governance structures are in place to oversee the implementation of responsible financing practices, including regular monitoring, review, and escalation processes to ensure accountability, consistency, and alignment with internal policies and regulatory requirements.

KEY ACTIONS AND OUTCOMES

In FY2025, Bank Muamalat took a number of concrete steps to embed responsible financing across its operations and product offerings, incorporating CCPT classifications and ESG scoring into financing assessments, participating actively in the Joint Committee on Climate Change (JC3), and continuing structured internal reviews and employee training on evolving sustainability and climate-related requirements. Prudent underwriting practices were applied throughout to promote responsible financing while preserving portfolio quality.

ECONOMIC

VBI-Aligned Financing Portfolio (FY2025)

VBI-Aligned Area	Financing Outstanding (RM million)
SME Financing	1,350.00
Retail Financing	11,000.00
Preserving the Natural Environment	978.00
Raising Community Standards of Living	3,360.00
Promoting Healthy Lifestyles	235.00
Education	125.00
Hospitals and Medical Providers	361.00

The Bank's commitment to responsible financing is reflected in a diverse suite of Shariah-compliant solutions designed to meet the evolving needs of individuals, households and businesses. These support financial inclusion, strengthen economic resilience and promote sustainable growth across customer segments.

- **Personal Financing** – supporting customers with essential needs such as education, healthcare and debt consolidation through affordable, responsible financing that builds financial resilience and encourages prudent money management.
- **Home Financing** – making home ownership more accessible through Shariah-compliant solutions, including participation in government schemes such as Skim Jaminan Kredit Perumahan (SJKP) and Skim Rumah Pertamaku (SRP).
- **Ar-Rahnu** – quick, transparent, asset-backed financing that meets short-term liquidity needs, continuing to serve as an accessible option for customers requiring immediate financial support.
- **Electric Vehicle (EV) Financing** – competitive financing for EV purchases, supporting Malaysia's transition to a lower-carbon economy and reflecting growing customer interest in sustainable mobility.
- **ASB Financing** – encouraging disciplined savings and long-term wealth creation, particularly among the B40 segment.

As of 31 December 2025, these solutions had reached a significant number of Malaysians:

Financing Type	Total Beneficiaries	Financing Outstanding (RM million)
Personal Financing	103,447	7,964.35
Home Financing (SJKP, SRP)	18,246	4,626.98
Ar-Rahnu	36,364	969.96
Vehicle Financing (EV)	2,968	337.61
ASB Financing (B40 segment)	1,364	86.13

Guided by our purpose of Better Lives, Together, the Bank remains committed to generating positive and lasting impact for the communities it serves.

M13 Procurement Practices: Fostering Ethical and Sustainable Partnerships

WHY THIS MATTERS

A responsible supply chain is one that manages risk, upholds integrity, and treats vendors fairly. Bank Muamalat integrates risk, governance and ethical considerations throughout its procurement processes, assessing exposures such as operational disruption, geopolitical developments, logistics challenges, natural disasters, regulatory risk, and price volatility from raw material costs and foreign exchange movements – with mitigation measures such as supplier diversification and contractual safeguards applied where appropriate.

Ethical sourcing principles are embedded within the procurement framework to promote fair and transparent practices, strengthen supply chain integrity and reduce reputational risk. Vendor risk management is an integral part of this governance framework: vendors undergo a comprehensive pre-qualification process assessing financial standing, operational capability and regulatory compliance before appointment, with ongoing performance monitoring thereafter to reduce the risk of service disruption, quality issues and non-compliance.

OUR APPROACH

The Bank's procurement practices are grounded in strong governance, regulatory compliance, and a structured approach to vendor management. Key elements include:

Vendor Selection Process

A structured and transparent vendor selection process is adopted to ensure fairness, competitiveness, and value for money. Depending on the nature and value of procurement, sourcing methods such as tender, Request for Quotation (RFQ), or direct negotiation are applied in accordance with the Bank's procurement policies. Evaluations are conducted based on predefined criteria, including technical capability, financial competitiveness, and track record, with all activities subject to appropriate approval and governance processes to ensure accountability, transparency, and compliance with internal policies and regulatory expectations.

ESG Screening

As part of the vendor assessment process, suppliers may be evaluated on relevant ESG aspects such as environmental management practices, regulatory compliance, and responsible business conduct, enabling the Bank to encourage responsible sourcing practices.

Code of Conduct Requirements

Vendors are expected to comply with the Bank's Vendor Code of Conduct, which outlines expectations on ethical behaviour, anti-corruption practices, confidentiality, compliance with applicable laws and regulations, and responsible labour practices, as part of the pre-qualification process.

KEY ACTIONS AND OUTCOMES

- A total of 73 vendors underwent the pre-qualification process during the year, ensuring proper assessment prior to engagement.
- 100% of vendors are required to sign the Declaration of Sustainable Practices during pre-qualification.
- 50% of procurement activities were conducted through the e-Procurement System (ePS), with most requests originating from branches as part of efforts to centralise the purchase of operational items such as forms, paper and name cards.
- Monthly governance meetings are held by the respective Business Units to review issues, risks or performance concerns relating to outsourcing service providers.
- Regular testing of service providers' Business Continuity Plans (BCP) is carried out, with results submitted to the Bank for assessment and assurance.
- Service provider personnel are required to meet standards of conduct and regulatory expectations equivalent to those set by BNM.

ECONOMIC

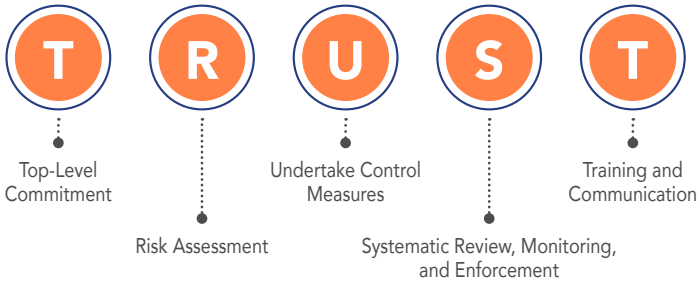
M14 Ethics and Integrity: Upholding Standards at Bank Muamalat

WHY THIS MATTERS

Strong ethical standards are fundamental to how the Bank operates. A sound ethical framework promotes accountability among employees, safeguards against corruption, and strengthens the transparency that stakeholder trust depends on. By cultivating a culture of integrity, the Bank meets regulatory expectations while reinforcing its reputation and operational resilience. Both of which underpin long-term, sustainable growth.

OUR APPROACH

The Bank's commitment to ethics and integrity is 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 maintains a firm zero-tolerance stance against all forms of bribery and corruption, adhering 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

- Provided strategic direction and oversight on corruption risk management and mitigation measures across the Bank.
- Approved Policy on Anti-Bribery and Corruption (ABC) and related guidelines.
- Ensured that integrity and anti-corruption expectations are communicated to employees, vendors, and other stakeholders.
- 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.
- Ensured the integration of corruption risk management into the Bank's overall risk management framework.
- Document and maintain records of corruption risk assessments and mitigation actions for governance and audit purposes.

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.
- Implemented the Code of Conduct to guide employees in upholding high standards of integrity and ethical behaviour in the performance of their duties.
- Established clear approval and escalation processes for high-risk transactions, including gifts, entertainment, donations, and sponsorships.
- Implemented a whistleblowing mechanism that enables employees and external stakeholders to report suspected misconduct or unethical practices through secure and confidential reporting channels.
- Ensured that appropriate safeguards are in place to protect whistleblowers against retaliation and to facilitate the proper investigation of reported concerns.

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.
- Tracked and monitored the implementation of integrity initiatives and action plans under the Bank's Organisational Anti-Corruption Plan (OACP).

T Training and Communication

- Mandated Anti-Bribery and Corruption training to all staff through e-learning.
- Conducted integrity awareness programmes to promote ethical conduct across the Bank, including Integrity Internal Alerts and Integrity Newsletters.
- Periodic Anti-Bribery & Corruption (ABC) training to new employees as part of the onboarding process.
- Organised an Integrity Contest to enhance awareness and foster a culture of integrity among all employees.
- Communicated the Bank's Anti-Bribery and Corruption policies, Code of Conduct, and integrity expectations through internal communication platforms and digital channels.
- Provided guidance and advisory support to employees on integrity-related matters and ethical decision-making.
- Leveraged digital platforms to enhance the reach and effectiveness of integrity awareness and training programmes.

KEY ACTIONS AND OUTCOMES

Whistleblowing and case management

The Muamalat Ethics Line remained a trusted whistleblowing channel for employees and stakeholders to report misconduct, unethical behaviour and policy breaches securely and confidentially. During the year, 13 reports were received, covering matters such as staff misconduct, negligence, acceptance of gifts and bribery. All reports were reviewed in accordance with the Bank's established procedures, with cases requiring further attention escalated to the Audit Committee for deliberation and appropriate action.

Anti-Bribery and Corruption (ABC) capability building

A total of 2,297 employees, representing 93% of the workforce, successfully completed the ABC e-learning programme. In addition, 5 Anti-Bribery and Corruption awareness sessions were conducted for new employees to reinforce ethical conduct and compliance expectations.

Enhanced Anti-Bribery and Corruption (ABC) Policy and Guidelines

The Bank continued to strengthen its ABC Policy and Guidelines through periodic enhancements to ensure they remain relevant, effective and aligned with evolving regulatory expectations and leading practices. These enhancements support the Bank in preventing bribery, managing integrity-related risks and promoting consistent standards of ethical conduct across the organisation.

Integrity awareness and stakeholder engagement

To promote a strong culture of integrity, the Bank issued 15 Integrity Alerts and 2 Integrity Newsletters to all employees, alongside initiatives such as the Integrity Contest. Awareness of the Muamalat Ethics Line was further strengthened through engagement sessions conducted across branches nationwide and Head Office departments, supported by communication materials displayed at Bank premises, on Bank-issued device screensavers and across the Bank's Automated Teller Machines (ATMs).

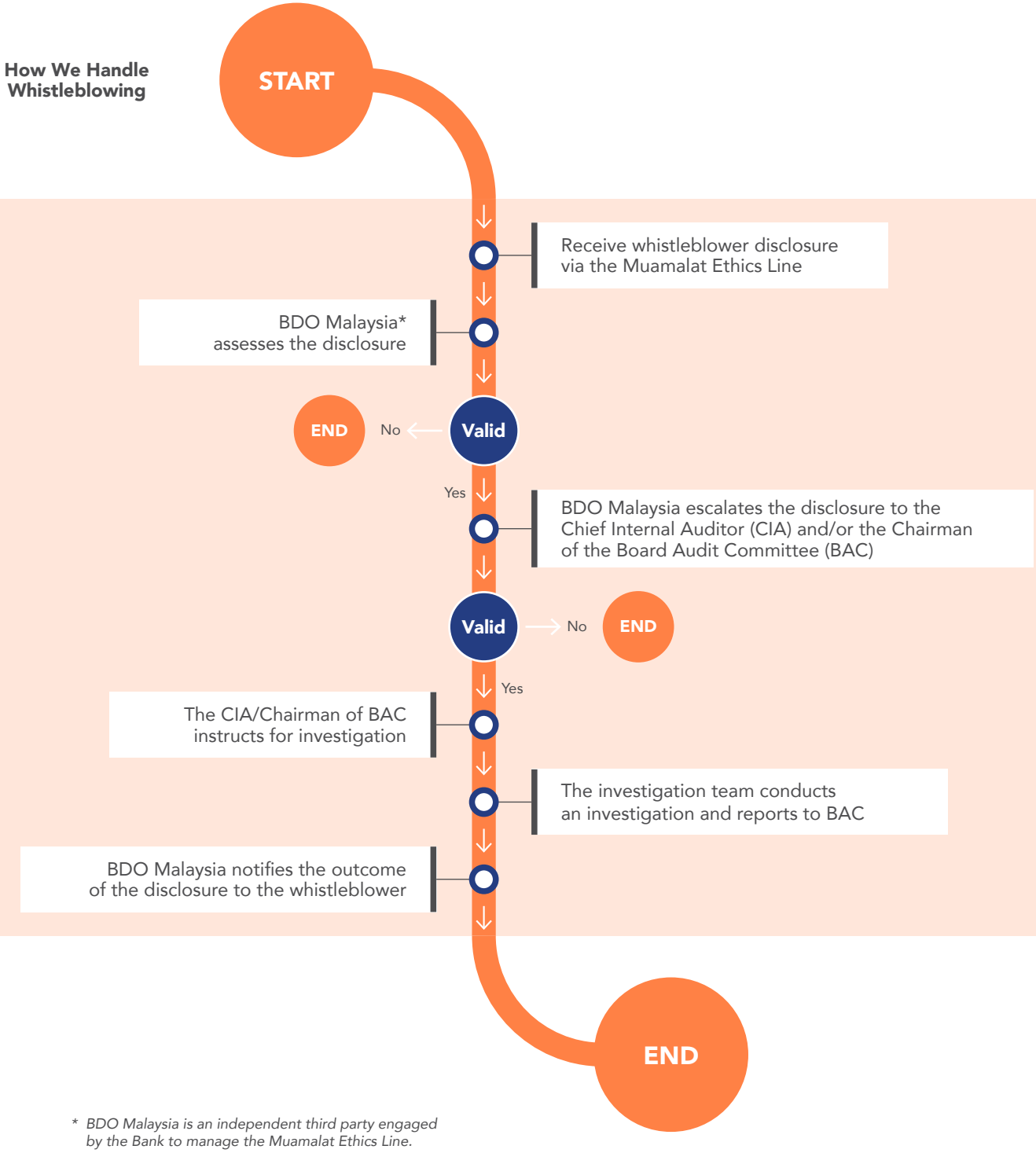
Vendor Code of Conduct (VCOC)

To reinforce ethical procurement practices, all newly registered vendors in FY2025 were required to declare any conflict of interest and commit to the Bank's Vendor Code of Conduct, strengthening transparency and integrity across the Bank's supply chain.

ECONOMIC

The Muamalat Ethics Line reporting channel:
Hotline: 03-2616 7111

How We Handle Whistleblowing



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

M11 Customer Experience: Strengthening Customer Service Excellence

WHY THIS MATTERS

Trust is built one interaction at a time, and customer experience is where that trust is either earned or lost. By consistently providing reliable, accessible and high-quality service, the Bank strengthens customer confidence while reinforcing its commitment to responsible, customer-centric banking. As customer expectations evolve, digital transformation and a strong security posture increasingly go hand in hand with what customers expect from a trustworthy bank.

OUR APPROACH

- **Complaint handling and service recovery** – a structured process to ensure customer concerns are addressed promptly, with a focus on timely resolution.
- **Customer experience monitoring** – tracking satisfaction, Contact Centre performance and engagement trends to identify evolving needs and improvement opportunities.
- **Information security and trust** – continuous upgrades to security infrastructure, monitoring technologies and data protection measures, in line with the latest Information Protection Guideline and regulatory expectations.

KEY ACTIONS AND OUTCOMES

Customer-centric digital innovation through ATLAS digital banking. Following its soft launch on the Apple App Store and Google Play Store in 2025, ATLAS entered its next phase of growth, expanding its reach and strengthening its digital ecosystem. Customer-requested features such as DuitNow payments and QR code transfers were introduced during the year, alongside electronic Know Your Customer (eKYC) to replace manual onboarding and automation to speed up resolution of customer enquiries. ATLAS also expanded its lifestyle ecosystem through partnerships with Zus Coffee, MPH, Ahmad's Fried Chicken, Lotus, Secret Recipe, FamilyMart and Mydin, integrating everyday banking with customers' daily lives. Revenue-generating products are expected to follow from 2026, as the platform moves into its next phase of commercial growth.

Data management. The Bank strengthened its enterprise data platform by consolidating data sources into a centralised, trusted repository, with enhanced privacy safeguards and governance standards. Improved security reporting gave management greater visibility and more timely oversight of the Bank's security posture.

Customer convenience and trust. Continued to strengthen customer convenience and trust by enhancing service responsiveness, maintaining high customer satisfaction and improving the efficiency of its customer support channels.

- The Bank maintained a strong Customer Satisfaction (CSAT) score of 95% in FY2025, compared to 96% in FY2024. While satisfaction scores across all customer touchpoints moderated during the year, they remained above the 80th percentile, reflecting continued customer confidence in the Bank's products and services.
- 65.92% of complaints were resolved within two working days, and the Contact Centre answered 87.66% of a 34.19% higher volume of inbound calls, up from 82.47% in FY2024, reflecting strengthened capacity and service responsiveness even as demand grew. Internet Banking-related enquiries remained the largest category of customer calls, primarily driven by the growing number of Internet Banking users and enquiries relating to i-MSecure registration and activation.
- Branch efficiency was enhanced by repositioning selected branches into Growth Hub (SMART) and Flagship Lifestyle Centre formats during the year, introducing extended and weekend banking hours to improve customer accessibility and convenience.
- Service efficiency across the branch network achieved an Average Waiting Time (AWT) of 86%, exceeding the industry benchmark of 80%. This reflects the continued efforts to deliver timely, efficient and customer-centric services at its physical touchpoints.



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



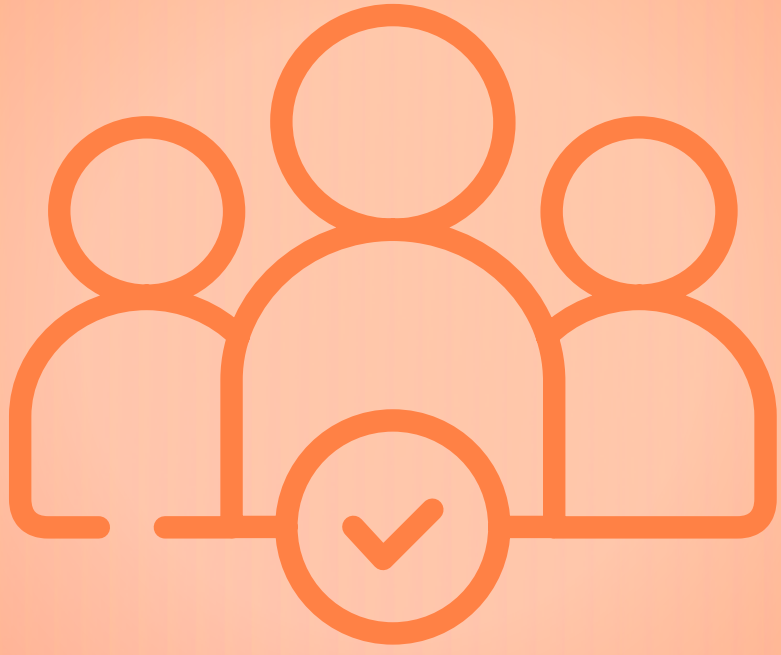
SDG 8.6
Reducing the proportion of youth not in employment, education or training

SDG 8.8
Promoting safe and secure working environments for all workers



SDG 10.2
Empowering and promoting inclusion of all, irrespective of age, sex, disability, race and ethnicity

SOCIAL



M6 Employment: Strengthening Our Workforce

WHY THIS MATTERS

A high-performing workforce is central to Bank Muamalat's ability to create value, respond to changing business needs and support long-term growth. Attracting, developing and retaining talented employees drives innovation and productivity, while strong retention preserves institutional knowledge and keeps recruitment and training costs in check.

A supportive, inclusive work environment matters just as much as capability. Employee well-being, work-life balance and clear paths for professional growth build the kind of motivated, adaptable workforce that can carry the Bank's strategic objectives forward.

OUR APPROACH

The Bank's talent management strategy rests on three pillars:

- **Strategic recruitment and talent acquisition** – recruitment processes that evolve with the Bank's business priorities, focused on attracting individuals who reflect the Bank's values and have the potential to contribute to sustainable growth.
- **Employee retention and engagement** – a workplace culture built on inclusivity, recognition and continuous learning, supported by clear career progression, professional development and regular engagement initiatives.
- **Holistic employee well-being** – initiatives spanning mental health, physical wellness and work-life balance, informed by employee surveys and engagement sessions that feed directly into workplace policy.

KEY ACTIONS AND OUTCOMES

Strengthening leadership capabilities and succession readiness.

Building a sustainable leadership pipeline remained central to the Bank's strategy in FY2025, supporting business continuity and organisational resilience. As part of this effort, a series of leadership development initiatives were implemented during FY2025 to enhance strategic capability, leadership effectiveness, and succession readiness across senior management. These initiatives included:

- Executive Education – General Management Programme (National University of Singapore), which strengthened senior leaders' strategic thinking, business management capabilities, and overall leadership effectiveness.
- Executive Education – Leading Transformational Change for Agility & Sustainability (National University of Singapore), which enhanced leaders' ability to drive organisational transformation, agility, and sustainable growth.
- Purpose-Based Islamic Leadership Programme (IBFIM), which reinforced values-driven leadership, ethical decision-making, and leadership practices grounded in Islamic principles.
- Media and Spokesperson Programme for Leaders (in-house), which strengthened leaders' communication effectiveness and confidence in engaging with media and key stakeholders.
- Management Committee and Senior Leadership Team Building Programme (in-house), which enhanced collaboration, alignment, and teamwork among senior leaders in support of the Bank's strategic priorities.
- Leaders as Coach Programme (in-house), which developed coaching capabilities to support talent development, employee growth, and leadership effectiveness across the organisation.
- Leadership Action Learning Projects (in-house), which enabled participants to apply learning through real business improvement initiatives and present strategic recommendations to senior management.

These initiatives reflect the Bank's proactive and structured approach to leadership development, ensuring that leaders are equipped not only with technical and strategic capabilities, but also with the values, mindset, and agility required to sustain long-term organisational success.

Fostering an engaged, purpose-driven workforce.

The Bank continued building a workplace where employees feel valued and empowered. Recognition initiatives such as the Culture Hero programme, appreciation letters and festive activities reinforced morale and a sense of belonging, while the M-Stars Pulse Podcast, townhall highlights and various employee engagement campaigns strengthened organisational pride and knowledge sharing.

Career development resources, practical learning initiatives and industry engagement programmes supported employees' professional growth, and roadshows with Business Units kept the workforce aligned to the Bank's strategic direction. A broad range of health, wellness, religious, cultural and recreational programmes rounded this out, alongside awareness initiatives on ethical conduct, privacy and workplace harassment prevention that reinforced a safe and respectful working environment.

Collectively, these initiatives reflect Bank Muamalat's continued commitment to nurturing a holistic employee experience by integrating employee engagement, well-being, continuous learning and values-based development. Through these efforts, the Bank continues to build an engaged, resilient and future-ready workforce capable of supporting its long-term strategic aspirations.

SOCIAL

M7 Empowering Diversity, Enabling Growth

WHY THIS MATTERS

Diversity and equal opportunity are fundamental to building a progressive and sustainable organisation. A diverse workforce brings different perspectives and experiences, which encourage innovation, enhance decision-making, and support effective problem-solving. By ensuring equal opportunities for all employees, we foster a fair and inclusive workplace that reflects our values and commitment to ethical business practices.

Creating an inclusive environment also helps strengthen employee engagement, improve job satisfaction, and support overall organisational performance. Together, these efforts contribute to the Bank's long-term growth, adaptability, and resilience in an evolving business landscape.

OUR APPROACH

The Bank's approach to diversity and equal opportunity is guided by inclusive policies covering gender diversity, fair compensation and career advancement for underrepresented groups. Workforce diversity data is regularly assessed to monitor progress, supported by diversity, equity and inclusion (DEI) training that builds a culture of respect across the organisation.

KEY ACTIONS AND OUTCOMES

As at 31 December 2025, Bank Muamalat employed a total of 2,464 people (1,150 at Head Office and 1,314 across the branch network) with a broadly balanced gender composition of 49% male and 51% female across the workforce. An inclusive workforce is nurtured through:

- **Gender diversity** – the Bank maintains a balanced gender composition while promoting a merit-based culture that supports talent development, leadership growth and career progression at every level, including the leadership pipeline.
- **Governance diversity** – Board and governance appointments continue to be guided by merit, experience and competencies, with a long-term commitment to strengthening diversity within the leadership pipeline.
- **Ethnic diversity** – employees from different ethnic backgrounds are represented across Head Office, branches and all employee categories, reflecting the communities the Bank serves.
- **Equitable remuneration** – pay and recognition are based on role, responsibility, competency and performance, regardless of gender, supporting equal access to career development and professional growth.

M8 Training and Education: Investing in Employee Development

WHY THIS MATTERS

A constantly evolving banking industry requires employees to keep building new knowledge and skills. Structured training needs analyses and personalised development plans help employees build relevant capabilities while strengthening succession planning and preparing high-potential talent for critical roles.

Mandatory training on risk, compliance and Shariah matters reinforces the Bank's governance framework and risk culture, while continued investment in digital, data and AI capabilities helps employees adapt to an increasingly technology-driven environment. This supports productivity, innovation and better customer experiences. The Bank also gives employees the opportunity to deepen their understanding of sustainability as it becomes more central to the industry.

OUR APPROACH

The Bank's structured learning framework aligns employee development with strategic priorities across technical, leadership, compliance and digital competencies, with clear learning pathways from foundational to advanced levels, delivered through a blended mix of classroom training, e-learning and on-the-job development. Mandatory learning ensures employees meet regulatory, Shariah and internal policy requirements, while a range of optional programmes support personal and professional growth beyond the baseline.

KEY ACTIONS AND OUTCOMES

In FY2025, Bank Muamalat delivered a mix of in-house, external and ad hoc training programmes across three categories: 66 Core Programmes strengthening foundational knowledge, regulatory compliance and organisational values; 323 Functional Programmes building technical expertise and job-specific competencies; and 99 Leadership Programmes developing leadership effectiveness, strategic thinking and succession readiness.

Year	Total Training Hours	Average Hours per Staff
2023	156,967	65 hours
2024	197,598	78 hours
2025	191,769	77 hours

Learning philosophy and the Future Skills Framework (FSF)

Muamalat Academy anchors the Bank's learning ecosystem around the Future Skills Framework. The FSF outlines critical future capabilities including digital fluency, data literacy, business acumen, creativity, strategic thinking and stakeholder influence, forming the foundation of the Bank's future-ready workforce development agenda.

Development Schools

Guided by the FSF, Muamalat Academy established a structured Development School approach to deliver targeted and role-relevant learning journeys aligned with business priorities and workforce needs. The learning ecosystem is organised across seven Development Schools covering leadership, business, technology, operations, governance, finance and Shariah capabilities. Through these schools, employees develop the competencies required for their respective functional areas, including Sustainability Management, supporting both professional growth and the Bank's strategic priorities.

AI capability building

In line with the Bank's digital transformation agenda and commitment to developing a future-ready workforce, Muamalat Academy continued to advance organisational AI readiness through targeted learning and development initiatives. These efforts were designed to build awareness, strengthen practical capabilities and encourage the responsible adoption of emerging technologies across the organisation. Anchored on the FSF, these initiatives support the development of Prime Skills by strengthening employees' technical and functional capabilities to adapt, innovate and remain relevant in an evolving digital landscape.

Digital Academy

The enhanced Muamalat Digital Academy launched on 12 December 2025 as the Bank's refreshed digital learning hub. The enhanced platform introduced clearer module classifications across core, technical/functional and leadership categories, newly developed learning content, digital certificates and self-service learning access. These improvements support a more structured, personalised and impactful learning experience while reinforcing a culture of continuous learning across the Bank and, in line with the Future Skills Framework (FSF), strengthen Power Skills by enhancing human-centric capabilities such as communication, collaboration and adaptability to future-proof the Bank's talent.

M9 Community Development: Strengthening Social Impact through Islamic Social Finance

WHY THIS MATTERS

Bank Muamalat's community development efforts are grounded in Maqasid al-Shariah, with Value-Based Intermediation (VBI) as the guiding framework for creating sustainable value for stakeholders while contributing to national development priorities and the UN Sustainable Development Goals. This reflects a straightforward conviction: lasting progress depends on pairing economic advancement with social responsibility, so that growth reaches those who are too often left behind.

By empowering underserved individuals and communities to become more economically resilient, the Bank aims to create a multiplier effect whereby those who benefit today are, in turn, able to support others and strengthen their own communities tomorrow. This will create lasting value for future generations.

OUR APPROACH

The Bank's community development work centres on four areas: education, through access to learning opportunities; health, through initiatives that improve access to healthcare; economic empowerment, through financial resilience and sustainable livelihoods; and social support, through assistance to underserved and vulnerable groups in times of need. Delivery is carried out in partnership with State Islamic Religious Councils, NGOs and community partners, channelling capital through mechanisms such as cash waqf, dedicated social funds and digital crowdfunding platforms empowered with transparency and accountability built into each.

SOCIAL

KEY ACTIONS AND OUTCOMES

Creating Better Lives, Together through Corporate Social Responsibility (CSR)

In FY2025, the Bank disbursed RM197,400 in CSR contributions, benefitting 2,738 individuals and community groups, including orphans, frontliners, underprivileged families, mosques, welfare homes and students. During Ramadan, the Bank distributed 1,400 Iftar food packs to media personnel and frontliners in the Klang Valley, complemented by bubur lambuk distributions across 14 states. Programmes such as Ziarah Teristimewa Ramadan and Majlis Berbuka Puasa brought visits, iftar sessions, festive attire and duit raya to 375 children across 13 orphanages. Around Labour Day, the employee-driven Hero Tanpa Nama programme collected and distributed essential goods to more than 600 unsung everyday heroes comprising taxi drivers, bus operators, police personnel, postal and sanitation workers. Youth development reached 113 students and orphans through financial literacy and enrichment programmes with strategic partners. The Bank also contributed to 14 mosques nationwide for Hari Asyura, supported 50 families of veterans and media partners for Hari Merdeka, and reached a further 200 individuals through the Deepavali CSR and SARA CSR programmes, providing financial assistance and grocery items to asnaf, B40 households and welfare homes.

Through these initiatives, the Bank continues to uphold its role as a responsible and compassionate Islamic financial institution, delivering meaningful impact beyond financial services and advancing the well-being of the communities it serves.

Sponsorship programme

The Bank continued to strengthen its commitment to community development and social impact through its sponsorship and contribution programme. A total of RM347,684 was distributed to more than 90 institutions in FY2025, including welfare homes, educational institutions, NGOs, and other community-focused entities. These contributions were channelled to support a wide range of programmes that promote education, social welfare, and community development, ensuring that assistance reaches diverse segments of society.

Beyond financial assistance, the sponsorship programme reflects the Bank's broader commitment to creating positive and sustainable impact. By supporting institutions that serve vulnerable and underserved communities, the Bank contributes not only to immediate social needs but also to long-term capacity building and inclusive development.

Wakaf Muamalat

The Wakaf Muamalat initiative serves as the Bank's platform for mobilising cash waqf contributions through a structured and transparent framework that delivers meaningful and sustainable social impact. Implemented in collaboration with various State Islamic Religious Councils (SIRCs) and strengthened through the Association of Islamic Banking and Financial Institutions Malaysia (AIBIM), the initiative promotes broader participation in Islamic philanthropy while ensuring the effective governance and management of waqf funds through a Joint Management Committee. Guided by the principles of perpetual charity, the initiative provides long-term and recurring benefits to society by supporting underserved and vulnerable communities, enhancing financial inclusion and creating sustainable opportunities in areas such as education, healthcare and economic empowerment.

In FY2025, RM1,147,427.88 was collected to support wakaf projects nationwide across education, healthcare and economic empowerment.

Zakat and Sadaqah management

Zakat and sadaqah are key instruments through which the Bank fulfils its social responsibility and creates positive impact for communities in need. Guided by the principles of Maqasid al-Shariah, these funds are channelled towards programmes that improve access to social welfare, education and healthcare for asnaf groups, primarily fakir, miskin, muallaf and fisabilillah, as well as selected non-asnaf beneficiaries. Through these initiatives, the Bank contributes several SDGs, particularly SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 4 (Quality Education) and SDG 10 (Reduced Inequalities), while strengthening financial inclusion and promoting inclusive community development.

Tabung Mawaddah

Tabung Mawaddah (TM) is the Bank's dedicated charitable fund, operating since 2002 and managed by the Zakat Committee to administer zakat and sadaqah contributions through structured community assistance programmes. The fund supports initiatives across social welfare, education and healthcare while also extending assistance to eligible employees during times of hardship. During the year, the Bank disbursed RM2,669,372.85 under Tabung Mawaddah to selected asnaf and non-asnaf recipients.

Jariah Fund crowdfunding

Through the Jariah Fund crowdfunding portal, the Bank collaborated with five selected non-governmental organisations to initiate 14 campaigns focused on health, education, and economic empowerment. This initiative successfully collected RM71,504.76 in FY2025, demonstrating continued efforts to mobilise community support and collective giving. These initiatives contribute to advancing global priorities, including poverty alleviation, quality education, and good health and well-being.

M10 Financial Inclusion: Empowering Communities Through Accessible Banking

WHY THIS MATTERS

Financial inclusion is central to Bank Muamalat's ambition to be a leading Islamic bank that is genuinely accessible to everyone. It ensures that individuals and businesses, regardless of socioeconomic standing, can access affordable, good-quality financial services.

It is also a powerful driver of economic empowerment in its own right as it helps reduce poverty, narrow disparities and support sustainable economic growth. By broadening access to financial services, Bank Muamalat helps individuals and businesses manage their money more effectively, build resilience against economic shocks, and work towards their future goals. This is a direct expression of the Bank's purpose of Better Lives, Together.

OUR APPROACH

The Bank takes a collaborative approach to financial inclusion, designing solutions that are accessible, appropriate and sustainable for underserved groups, particularly micro-entrepreneurs and communities in remote areas. Strategic partnerships with government agencies and local stakeholders help tailor programmes to specific community needs, combining financial access with structured training, entrepreneurship support and digital tools, in providing genuine, lasting development.

KEY ACTIONS AND OUTCOMES

iTEKAD programme expansion

A key milestone in FY2025 was the onboarding of participants under the i-PUSH programme, Yayasan Hijrah Selangor (YHS), and ANGKASA as part of the expanding iTEKAD initiative, in collaboration with the Pahang State Government and other organisations. This programme aims to support entrepreneurship development by combining financial support with capacity building.

During the year, the Bank utilised a total of RM3,937,634.65 from the iTEKAD Grant to provide seed capital to eligible entrepreneurs. In addition, 55 participants attended structured training under the iTEKAD Mahabbah programme, equipping them with essential business and financial knowledge to enhance their resilience and income potential.

The Bank also introduced a Halal Certification Programme, giving eligible iTEKAD entrepreneurs, particularly those in food and beverage, cosmetics and healthcare, end-to-end coaching support from documentation through to certification maintenance with JAKIM or the relevant State Islamic Religious Authority (JAIN). Beyond strengthening business capabilities, the programme enables entrepreneurs, particularly those in the food and beverage, cosmetics and healthcare sectors, to expand their market reach and unlock new growth opportunities within the halal economy.

Enabling financial access for all

Financial inclusion entails expanding access to affordable and responsible financing solutions that support home ownership, improve financial resilience and promote broader economic participation. Guided by its commitment to inclusive finance, the Bank focused on extending financial access to individuals, households, entrepreneurs and underserved communities through targeted financing solutions.

Participation in the SJKP financing scheme continued to support first-time homebuyers and lower-to-middle income groups, complemented by structured financing packages with step-up payment features aligned to customers' expected income progression.

The Bank also expanded access to Shariah-compliant short-term financing through its Ar-Rahnu services, providing fast and accessible financing solutions for lower-income households, micro-entrepreneurs and self-employed individuals. Building on this offering, the introduction of Ar-Rahnu BIZ extended financing access to non-individual and SME customers, supporting their working capital requirements and enhancing financial accessibility for businesses.

Bank Bergerak

The Bank Bergerak initiative continues to extend essential banking services to customers in rural and underserved communities, improving financial accessibility beyond the Bank's physical branch network. Through this mobile banking initiative, customers can access key services including Ar-Rahnu financing, interbank fund transfers, financing payments, as well as cash deposit and withdrawal facilities.

During FY2025, the initiative facilitated RM1.0 million across 3,009 transactions, benefitting 3,026 customers, reflecting its continued role in bridging financial access gaps for communities with limited access to formal banking services.

Expanding access through digital banking

Through continuous enhancements to its digital capabilities, ATLAS remains an important enabler of the Bank's financial inclusion agenda, supporting broader access to banking services while creating greater convenience and accessibility for customers across diverse communities. During the year, ATLAS continued to make banking easier by allowing customers to open savings accounts remotely through a seamless end-to-end digital onboarding journey backed by secure electronic Know-Your-Customer (eKYC) verification. This enabled access to banking services without the need to visit a physical branch. By making Shariah-compliant banking accessible anytime, anywhere, ATLAS complements the Bank's physical network and supports greater participation in the formal financial system.

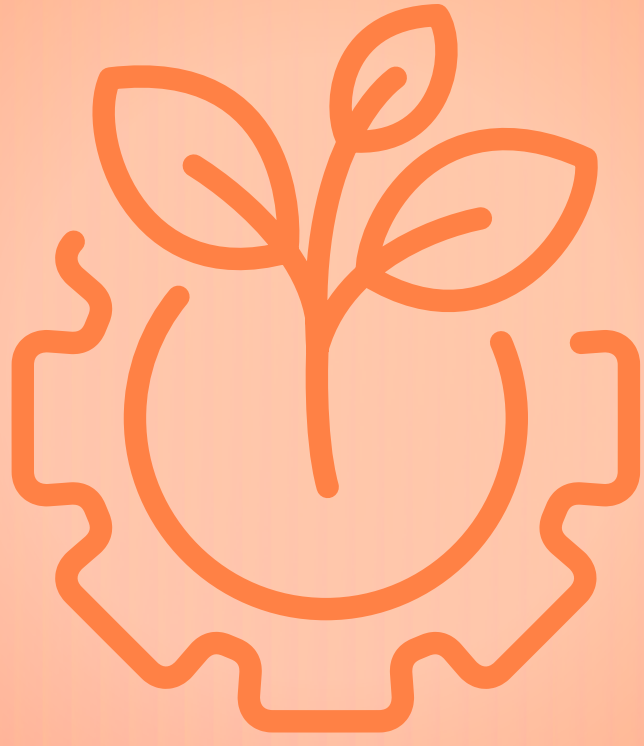


SDG 12.2
Sustainable management and use of natural resources

SDG 12.5
Substantially reduce waste generation

SDG 12.6
Encourage companies to adopt sustainable practices and sustainable reporting

ENVIRONMENTAL



M3 Carbon Management: Minimising Environmental Impact

WHY THIS MATTERS

Greenhouse gas emissions contribute to climate change and are increasingly becoming an area of focus for businesses, regulators, and stakeholders. As expectations for greater environmental accountability continue to evolve, having reliable emissions data is important for assessing environmental performance and supporting transparent disclosure.

For Bank Muamalat, carbon management provides a structured approach to measuring and monitoring emissions arising from its operations. This enables the Bank to establish a clearer view of its carbon footprint, track changes over time, and identify opportunities to improve resource efficiency where appropriate.

Strengthening carbon management practices also supports the Bank in keeping pace with evolving regulatory and reporting requirements. Through progressive improvements in emissions measurement, data quality, and reporting processes, the Bank continues to enhance its environmental practices and contribute towards its long-term sustainability objectives.

OUR APPROACH

Bank Muamalat's approach to carbon management focuses on strengthening environmental accountability through improved emissions measurement, operational efficiency, climate risk integration, and stakeholder engagement. This is supported by four key focus areas:

Operational efficiency

The Bank continues to monitor and optimise electricity, water, and fuel consumption across its branches and headquarters to reduce wastage, improve resource efficiency, and minimise the environmental impact of its operations.

Emissions measurement and disclosure

The Bank measures greenhouse gas emissions across Scope 1, Scope 2, and relevant Scope 3 categories, supported by defined methodologies, appropriate scope coverage, and recognised emission factors to improve the accuracy, consistency, and comparability of its emissions reporting.

Climate risk integration

The Bank continues to integrate climate-related considerations into its broader risk and sustainability practices. Environmental and climate indicators are incorporated into credit assessments and portfolio reviews through tools such as the ESG Scorecard and Bank Negara Malaysia's Climate Change and Principle-based Taxonomy (CCPT), supporting more informed assessment of climate-related risks within the financing portfolio.

Stakeholder engagement and transition support

The Bank engages employees, customers, and relevant partners to strengthen awareness of climate-related risks, encourage responsible environmental practices, and support alignment with national and global climate objectives.

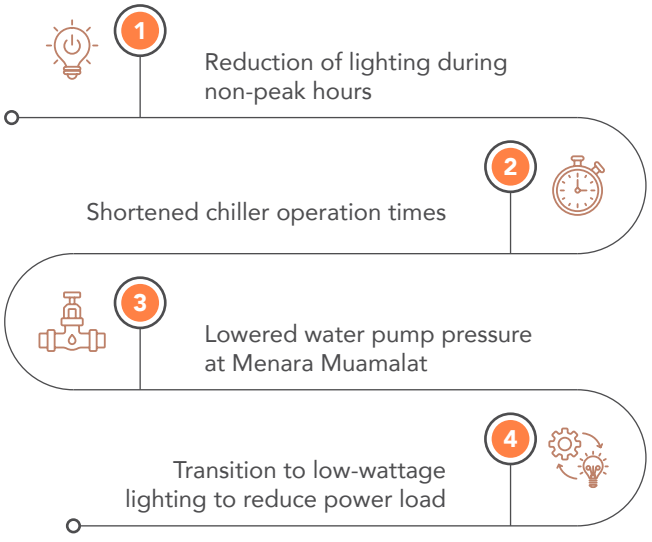
KEY ACTIONS AND OUTCOMES

1. Resource Efficiency Initiatives

Energy, Water, and Fuel Use (FY2025 – HQ and Branches)

Electricity	8,484,806 kWh
Water	64,541 m³
Petrol	560,229 litres
Diesel	19,088 litres

Key energy-saving measures implemented



ENVIRONMENTAL

Electricity cost and consumption at HQ only.
(January - December 2025)

Total
RM2,506,726.84

Total consumption
3,976,211 kWh

FY2024 (both HQ & Branches)

Electricity	Water
8,613,135 kWh	54,612 m³
Petrol	**Diesel**
516,545 litres	19,927 litres

FY2023 (both HQ & Branches)

Electricity	Water
8,266,903 kWh	144,276 m³
Petrol	**Diesel**
445,292 litres	22,773 litres

2. Greenhouse Gas Emissions (GHG) Overview

GHG emissions in the banking sector primarily arise from internal operations such as electricity consumption and business travel, as well as indirectly through financed activities. These emissions are categorised into three scopes:

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 (where applicable)
- Fugitive emissions from equipment containing refrigerants, such as air-conditioning units and refrigerators

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, ATM networks, branches, and headquarters

Scope 3: Other indirect emissions

These are emissions resulting from the Bank's activities but originating from sources not owned or directly controlled by the Bank. Examples include:

- Employee commuting
- Business travel by air, rail, or car
- Waste generated from operations (including operational waste sent for disposal or recycling, based on contractor records and internal logs)
- Emissions related to paper and office supply consumption

Scope 1: Direct Emissions from Fuel and Fugitive Emissions

In 2025, the Bank expanded its Scope 1 greenhouse gas (GHG) emissions reporting to include fugitive emissions for reporting. Fugitive emissions were primarily generated from refrigerant leakage from air-conditioning systems and fire suppression equipment.

The fugitive emissions recorded in 2025 comprised:

Company vehicle air-conditioning systems
0.87 metric tonnes CO_2e

Building air-conditioning systems
30.06 metric tonnes CO_2e

Building Chiller
80.84 metric tonnes CO_2e

Fire suppression systems
0.04 metric tonnes CO_2e

Summary of Scope 1 Emissions (2025)

Petrol
560,229 litres

approx. **1,303 metric tonnes CO_2e**

Diesel
19,088 litres

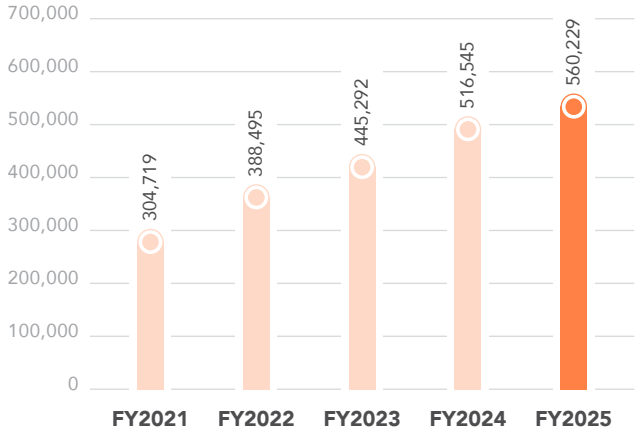
approx. **50 metric tonnes CO_2e**

Fugitive Emissions
111.81

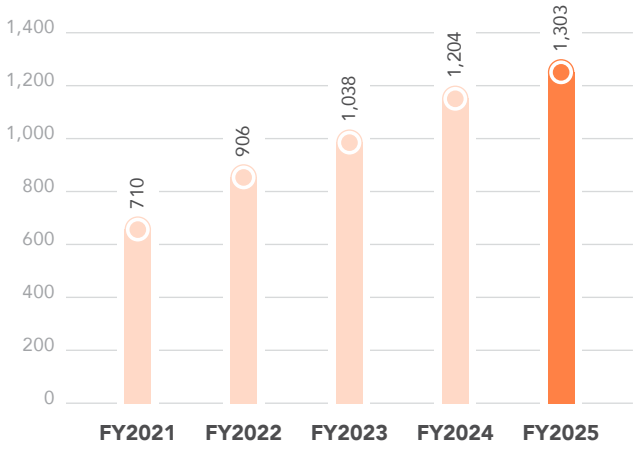
Total Scope 1
1,464.81 metric tonnes CO_2e

Petrol Consumption Per Year (Litres) 2021 – 2025

Petrol Consumption Per Year (Litres)

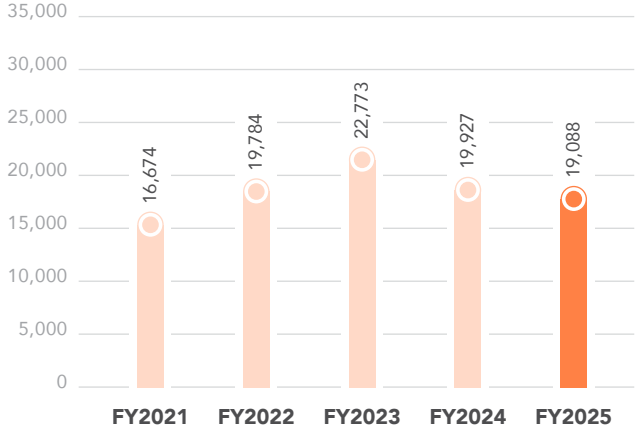


GHG Emissions from Petrol Consumption (tCO_2e)

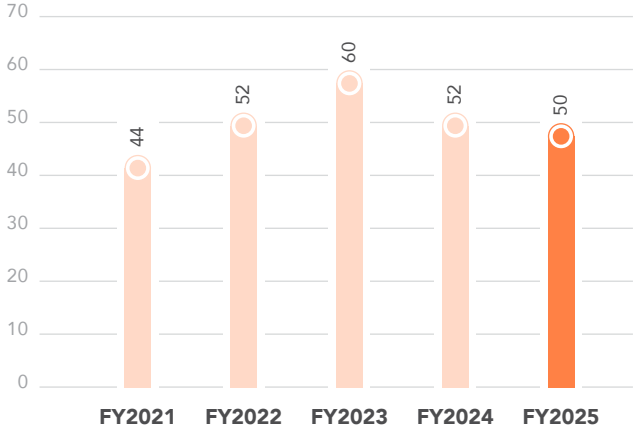


Diesel Consumption Per Year (Litres) 2021 – 2025

Diesel Consumption Per Year (Litres)



GHG Emissions from Diesel Consumption (tCO_2e)



ENVIRONMENTAL

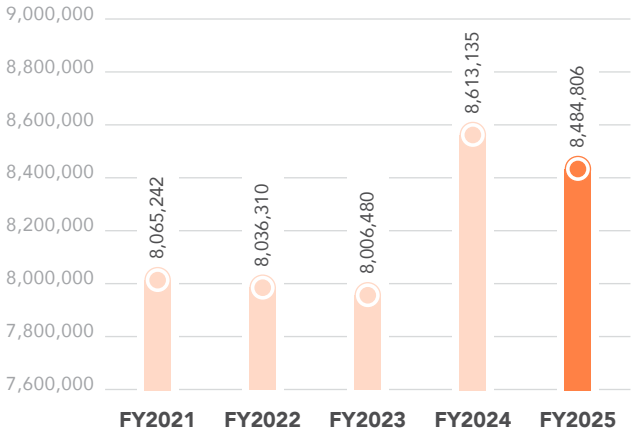
The emissions from petrol consumption increased by 8.2% year-on-year, primarily driven by increased operational travel associated with business development and sales activities, departmental expansion, and outreach programmes. Meanwhile, the emissions from diesel consumption decreased by 3.8% year-on-year, reflecting more effective fuel management and optimisation of diesel-powered vehicle usage.

Electricity-related emissions (2025)

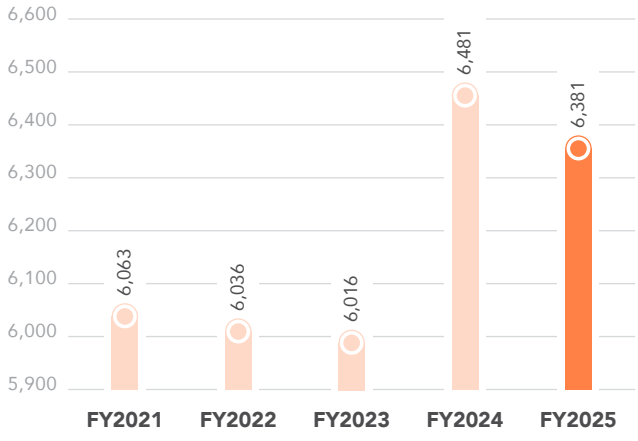
6,381 metric tonnes CO_2e

Electricity Consumption Per Year (kWh) 2021 – 2025

Electricity Consumption Per Year (kWh)



GHG Emissions from Electricity Consumption (tCO_2e)



Following an increase in electricity consumption in FY2024, the Bank achieved a modest reduction in FY2025, with total consumption decreasing by 1.5% to 8.48 million kWh. The improvement translated into a corresponding reduction in Scope 2 GHG emissions from purchased electricity. The Bank remains committed to strengthening energy management practices and identifying further opportunities to improve operational efficiency and reduce its environmental footprint.

Scope 3: Indirect Emissions

Scope 3 emissions capture the indirect environmental impacts arising from activities not owned or directly controlled by the Bank. In FY2025, Bank Muamalat reported two key contributors under this category: employee commuting and business travel by land.

The Bank's GHG emissions reporting is prepared in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004). A combination of distance-based and average-data methods are applied across relevant emission categories. Emission factors are sourced from internationally recognised databases and technical references and are updated periodically to reflect current guidance.



- **Category 6:** Business Travel covers emissions from employee travel for work purposes, including air, rail and road transport, calculated based on distance travelled and applicable emission factors
- **Category 7:** Employee Commuting captures emissions from employees travelling between home and the workplace, including private vehicles, motorcycles and public transport, estimated using average commuting distance, number of employees and working days

Emissions from business travel are calculated using the distance-based methodology. Emissions from employee commuting are calculated using the average-data method, based on commuting information collected through the Group's biennial employee survey. The survey ensures a representative sampling size aligned with GHG Protocol guidance.

UK Department for Energy Security and Net Zero.

Employee Commuting

The Bank quantifies greenhouse gas (GHG) emissions from employee commuting under Scope 3, covering employees' daily travel between home and the workplace. With a significant proportion of employees based across the Bank's branch network, many commute using private vehicles, particularly cars and motorcycles, which contribute to the Bank's overall Scope 3 emissions.

Headquarters
1,214.92 metric tonnes CO_2e

Branches
2,247.09 metric tonnes CO_2e

Business travel (by land)

129.07 metric tonnes CO_2e

779,024.64 total distance travelled (km)

Scope	FY2024 Emissions (tCO_2e)	FY2025 Emissions (tCO_2e)
Scope 1	1,256.00	1,464.81
Scope 2	6,481.00	6,381.00
Scope 3 (Commuting)	2,849.00	3,462.01
Scope 3 (Travel)	114.15	129.07
Total	**10,700.15**	**11,436.89**

ENVIRONMENTAL

M4 Water Management

WHY THIS MATTERS

Effective water management supports efficient resource utilisation, cost control and environmental responsibility. Although the Bank's operations are not water-intensive, monitoring and managing water consumption remain important to minimise unnecessary water usage, promote responsible consumption and support the Bank's broader sustainability commitments.

By monitoring water usage across its operations, the Bank is better positioned to identify consumption trends and encourage responsible water management practices that contribute to the efficient use of natural resources.

OUR APPROACH

The Bank monitors water consumption primarily through utility billing records at its headquarters and selected operational premises. Water consumption data is reviewed periodically to identify trends, detect unusual usage patterns and support actions where appropriate.

In addition to monitoring water consumption, the Bank promotes responsible water use through employee awareness initiatives that encourage prudent water usage in daily operations. These efforts support the Bank's commitment to fostering a culture of responsible resource consumption across the organisation.

KEY ACTIONS AND OUTCOMES

During the year, the Bank recorded a total water consumption of 64,540.99 m^3, reflecting water usage across its operational facilities. Water consumption trends continue to be monitored on a year-on-year basis to support efficiency monitoring, facilitate the identification of consumption patterns and inform internal awareness efforts.

The Bank also continued to monitor water consumption through utility billing records while reinforcing responsible water usage practices through internal awareness initiatives. These efforts support the Bank's ongoing commitment to promoting prudent water consumption and encouraging responsible resource utilisation across its operations.

Water Consumption and Management

Indicator	Unit (m^3)
FY2022	153,597.27
FY2023	144,276.94
FY2024	54,611.74
FY2025	64,540.99

M5 Waste Management

WHY THIS MATTERS

Effective waste management is essential to minimising the Bank's environmental footprint, ensuring compliance with applicable waste handling requirements and promoting responsible operational practices. By managing waste responsibly, the Bank seeks to reduce unnecessary waste generation, encourage responsible disposal practices and support a cleaner and more sustainable working environment.

Responsible waste management also contributes to operational efficiency and supports the Bank's broader sustainability objectives by fostering greater awareness of waste reduction and resource conservation across its operations.

OUR APPROACH

The Bank manages waste through designated waste collection processes, with KPC Property Care Sdn Bhd appointed to collect waste, including scheduled waste, for appropriate handling and disposal. Food waste generated at selected premises is monitored to better understand waste generation patterns and identify opportunities to reduce avoidable waste.

In addition, the Bank promotes responsible waste management through employee awareness initiatives that encourage proper waste disposal practices and reinforce the importance of minimising waste in day-to-day operations.

KEY ACTIONS AND OUTCOMES

During the year, the Bank monitored food waste generation on a monthly basis, recording a total of approximately 4,317 kg of food waste across the reporting period. The collection and monitoring of waste data enabled the Bank to better understand waste generation patterns, identify periods of higher waste generation and support internal awareness initiatives aimed at reducing avoidable food waste.

The Bank also continued to reinforce responsible waste management practices by promoting employee awareness on waste reduction and proper waste disposal. These efforts support the Bank's ongoing commitment to responsible operational practices and the continuous improvement of waste management across its operations.

Waste Generation and Treatment

Month	Kg
January	368.9
February	359.2
March	297.3
April	342.5
May	354.4
June	304.9
July	401.7
August	398.3
September	326.8
October	408.1
November	374.4
December	380.5
Sum	**4,317.00**

M3 Enhancing Climate Resilience through Climate Risk Stress Testing (CRST)

WHY THIS MATTERS

Climate change is increasingly recognised as a source of financial risk, with both physical and transition risks having the potential to affect financial institutions, customers and the broader economy. As climate-related uncertainties continue to evolve, banks play an important role in assessing and managing these risks to strengthen the resilience of their financing portfolios, operations and long-term sustainability.

In line with Bank Negara Malaysia's (BNM) regulatory expectations, the Bank conducted Climate Risk Stress Testing (CRST) as a forward-looking tool to strengthen its assessment of climate-related financial risks. CRST enables the Bank to evaluate the potential financial implications of different climate scenarios, supporting informed decision-making, strengthening climate risk preparedness and enhancing the Bank's resilience to emerging climate-related challenges.

OUR APPROACH

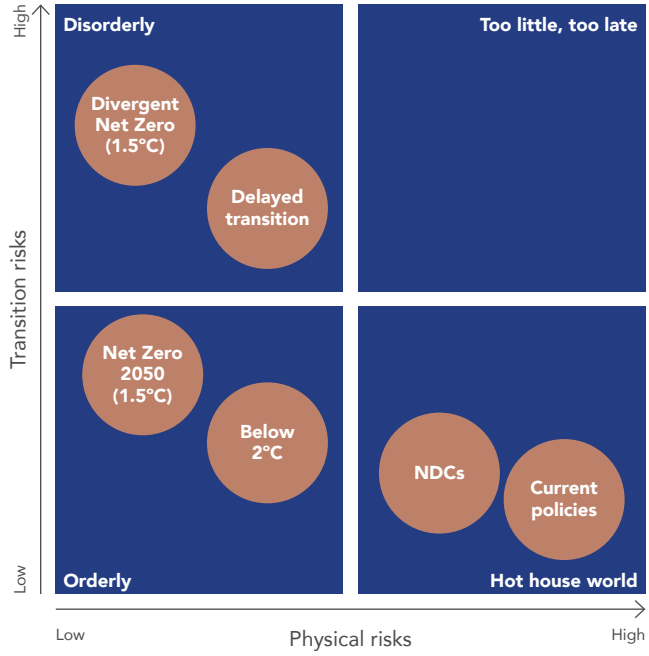
The Bank conducted CRST using the climate scenarios prescribed by BNM, comprising three long-term adverse scenarios developed by the Network for Greening the Financial System (NGFS) and a short-term acute physical risk scenario based on the Representative Concentration Pathway (RCP) 8.5, which assumes a one-in-200-year flood event in Malaysia under projected 2050 climate conditions.

The scenarios assess both transition risks, which arise from the shift towards a low-carbon economy through changes in policy, regulation, technology and market preferences, and physical risks arising from acute and chronic climate-related events. Collectively, they enable the Bank to assess the resilience of its financing portfolio under a range of plausible climate pathways, from an orderly transition towards a low-carbon economy to delayed climate action and increasingly severe physical climate impacts.

ENVIRONMENTAL

LONG-TERM ADVERSE CLIMATE SCENARIOS

NGFS Scenarios Framework



Scenario	Net Zero 2050 (NZ 2050)	Divergent Net Zero 2050 (DNZ 2050)	Nationally Determined Contributions (NDC)
	Early Action	Late Action	No Additional Action
Scenario Description	All existing and new climate policies are assumed to be implemented immediately from 2024, reflecting an accelerated and coordinated transition towards achieving net zero emissions by 2050.	All existing and new climate policies are assumed to be implemented on a phased basis, with delays in the implementation of selected policies, reflecting a less coordinated transition towards net zero emissions by 2050.	Only existing climate policies are assumed to be implemented on a phased basis, with no additional policy measures introduced beyond current commitments, reflecting an inadequate transition pathway.
Global Warming	1.4°C by 2050	1.4°C by 2050	2.6°C by 2050
Physical Risk	Limited	Limited	High
Transition Risk	High (Policy reaction: Immediate and smooth)	Moderate to Higher (Policy reaction: Immediate but divergent across sectors)	Lower (Policy reaction: Limited to pledged NDCs)

SHORT-TERM ACUTE PHYSICAL RISK SCENARIO

Scenario Description
A one-off 1-in-200-year extreme flood event occurring nationwide in Malaysia, assumed to take place on 1 January 2024, with a severity significantly greater than historical flood events.

Pathway	Return Period	Date of Flood (Assumption)	Climate Risk Type
RCP 8.5, year 2050	1-in-200 years flood	1 January 2024 (Immediate)	Physical Risk only

Note: RCP (Representative Concentration Pathway) is a set of climate change scenarios to project future greenhouse gas concentrations.

Through CRST, the Bank assessed the resilience of its financing portfolio under different climate scenarios, enabling the identification of potential vulnerabilities and supporting the integration of climate-related risks into its overall risk management framework. The exercise also strengthened the Bank's climate risk assessment capabilities and provided valuable insights to support strategic decision-making, risk mitigation planning and the continuous enhancement of climate risk management practices.

KEY ACTIONS AND OUTCOMES

During the year, the Bank successfully completed its inaugural CRST exercise in accordance with BNM's regulatory requirements, marking an important milestone in strengthening the Bank's climate risk management capabilities.

Through CRST, the Bank assessed the resilience of its financing portfolio under the prescribed climate scenarios, enabling the identification of potential climate-related vulnerabilities and strengthening the integration of climate considerations into the Bank's overall risk management framework. The exercise also enhanced the Bank's climate risk assessment capabilities, climate-related data readiness and strategic decision-making.

Long-Term Scenario

The long-term assessment evaluated the resilience of the Bank's financing portfolio under the Net Zero 2050 (NZ2050), Divergent Net Zero 2050 (DNZ2050) and Nationally Determined Contributions (NDC)s scenarios.

The assessment indicated that climate-related risks are expected to increase progressively over the long term across all assessed scenarios, although the magnitude and timing of the impacts vary depending on the assumed climate pathway. Among the three long-term scenarios, the NZ2050 scenario recorded the most significant impact on the Bank's financing portfolio over the short-term horizon. This was primarily driven by the early implementation of stringent climate policies to limit the rise in global temperature to 1.4°C by 2050, resulting in elevated transition risks during the initial years of the assessment. As the low-carbon transition advances, the orderly transition pathway moderates the impact of physical climate risks, contributing to a more stable portfolio impact over the longer term.

The DNZ2050 scenario also demonstrated elevated transition risk, as it similarly assumes the implementation of climate policies aligned with limiting the rise in global temperature to 1.4°C by 2050. However, the delayed introduction of these policies results in a more abrupt and disorderly transition, leading to a sharper increase in climate-related impacts when the policy measures are eventually implemented.

In contrast, the NDC scenario assumes no additional climate policies beyond existing commitments. While this results in comparatively lower transition risk, physical climate risks become increasingly significant over time as climate change intensifies, making them the primary driver of long-term impacts under this scenario, with effects becoming more pronounced beyond 2050.

Overall, the projected impact of the climate stress scenarios remained limited and manageable, reflecting the resilience of the Bank's financing portfolio under the assessed scenarios. The assessment will provide a foundation for the Bank to further integrate climate risk considerations into sector-level risk assessments, portfolio monitoring and long-term portfolio strategy.

Short-Term Scenario

The short-term assessment evaluated the Bank's financing portfolio under the Representative Concentration Pathway (RCP) 8.5 acute physical risk scenario. The assessment considered the geographical distribution of financed assets by state and postcode, projected damage rates, and the potential effects of acute physical climate events on customers' creditworthiness and potential physical asset's losses in the event of default. This enabled the Bank to identify geographical concentrations that may be more vulnerable to acute physical climate risks, enhancing the Bank's understanding of location-specific climate vulnerabilities and supporting ongoing portfolio monitoring.

DATA ON MATERIAL MATTERS

M11 CUSTOMER EXPERIENCE

Customer Satisfaction Survey

The Bank decreased its overall customer satisfaction score by 1% in FY2025. Its scores across all touchpoints decreased while still remaining within 80 percentile score.

CUSTOMER SATISFACTION SCORES BY TOUCHPOINT

Touchpoint	FY2024	FY2025
No. of Respondents	500	500
Overall Customer Satisfaction Index	96%	95%
Branches	98%	93%
Contact Centre	96%	94%
Internet Banking	95%	94%
Mobile Banking	95%	93%
Self-service Terminals	94%	93%
Product	96%	N/A
Auto Finance Centre	N/A	97%
Online Trading	N/A	98%

Complaints

The number of complaints in FY2025 has increased by 0.85% compared to FY2024. On resolving complaints received by our customers, the Bank ensured prompt turnaround time to avoid customers' dissatisfaction. 65.92% of complaint cases were resolved within 2 working days. Fraud cases in FY2025 have increased by 7.64% compared to FY2024.

TOTAL COMPLAINTS BY CATEGORY

Category	No. of Complaints	Percentage
Internet Banking Related	1,388	18.48%
Self-Service Terminal Related	4	0.05%
Fraud	3,791	50.48%
Branch Services	53	0.71%
Delay in Preparing Home Financing Statement for EPF Withdrawal	0	0.00%
Others	2,271	30.28%
Total	**7,507**	**100.00%**

NON-FRAUD COMPLAINTS RESOLUTION TURNAROUND TIME		
Turnaround Time	**No. of Complaints Resolved**	**Percentage**
0-2 Working Days	2,451	65.95%
3-5 Working Days	636	17.12%
>5 Working Days	631	16.93%
Total	**3,716**	**100.00%**

Phone Calls

Based on the average monthly call received at Contact Centre, there is an increase of 34.19% in FY2025 compared to the previous year. The Bank achieved an effective abandonment call rate of 12.19%.

PHONE CALLS RECEIVED			
Category	**FY2024**	**FY2025**	**Variance**
Total Calls	536,335	719,689	+34.19%
Total Answered Calls	442,324	630,897	+42.63%
% Answered Calls	82.47%	87.66%	+5.19%

The top 3 categories of calls were related to Internet Banking. A high volume of calls were due to an increase in the number of internet banking users and issues relating to i-MSecure Registration and Activation.

PHONE CALLS BY CATEGORY			
Category	**FY2024**	**FY2025**	**Variance**
Internet Banking	204,055	330,864	+62.14%
Product and General	117,191	248,423	+111.98%
Financing Application	59,900	72,018	+20.23%

DATA ON MATERIAL MATTERS

M6 EMPLOYMENT

Bank Muamalat remains committed to investing in its people, recognising that a capable, engaged, and future-ready workforce is essential to driving sustainable growth and long-term organisational resilience. As at 31 December 2025, the Bank employed a total of 2,464 employees, maintaining a balanced and inclusive workforce comprising 49.27% male and 50.73% female employees.

During the year, the Bank welcomed 390 new employees, reflecting its continued ability to attract talent in support of its business growth and strategic priorities. Employee departures totalled 423, providing valuable insights to strengthen the Bank's talent management and retention strategies. In response, the Bank continues to enhance its employee value proposition through initiatives that promote career development, employee well-being, and a supportive workplace culture, enabling employees to grow and succeed alongside the organisation.

TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND LOCATION

	New hires	Turnover
Age group		
Under 30 years old	187	165
30-50 years old	187	218
Over 50 years old	16	40
Total	**390**	**423**
Gender		
Male	204	214
Female	186	209
Total	**390**	**423**
HQ/Branches		
HQ	138	126
Branches	252	297
Total	**390**	**423**

TOTAL NUMBER AND RATES OF EMPLOYEES BY GENDER AND EMPLOYMENT CATEGORY		
	Men	Women
Managerial		
Total workforce	871	
Total # of employees in the employee category	476	395
% of men or women within the employee category	55%	45%
Executive		
Total workforce	1,397	
Total # of employees in the employee category	620	777
% of men or women within the employee category	44%	56%
Non-Executive		
Total workforce	196	
Total # of employees in the employee category	118	78
% of men or women within the employee category	60%	40%

DATA ON MATERIAL MATTERS

TOTAL NUMBER AND RATES OF EMPLOYEES BY AGE GROUP AND EMPLOYMENT CATEGORY

	Under 30 years old	30-50 years old	Over 50 years old
Managerial			
Total # of employees in the age group	504	1,552	408
Total # of employees in Managerial employee category	21	613	237
% of employees in the age group within the employee category	4%	39%	58%
Executive			
Total # of employees in the age group	504	1,552	408
Total # of employees in Executive employee category	427	840	130
% of employees in the age group within the employee category	85%	54%	32%
Non-Executive			
Total # of employees in the age group	504	1,552	408
Total # of employees in Non-executive employee category	56	99	41
% of employees in the age group within the employee category	11%	6%	10%

FY2025 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*	4
Workplace Accidents (<4 days 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*	4
Workplace Accidents (>4 days 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*	2
Commuting Accidents	Accidents that occur while travelling to and from office or any other work-related activities during working hours	28

Taking note of the high number of commuting accidents, the Bank implemented initiatives to help mitigate such incidents. These include the dissemination of road safety bulletins to reinforce safe commuting practices, as well as the organisation of road safety awareness talks to educate employees on responsible driving behaviour, hazard recognition, and accident prevention.

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION

Employee Benefits	Senior Management	Managerial	Executive	Non-Executive
Takaful[1]	O	O	O	O
Healthcare[2]	O	O	O	O
Disability and invalidity coverage[3]	O	O	O	O
Parental leave[4]	O	O	O	O
Retirement provision[5]	O	O	O	O
Stock ownership	N/A	N/A	N/A	N/A
Compassionate Leave[6]	O	O	O	O
Other Type of Leave[7]	O	O	O	O
Flexible Work Arrangement[8]	O	O	O	O
Other Allowances[9]	O	O	O	O
Membership with Professional Bodies[10]	O	O	N/A	N/A
Staff Financing[11]	O	O	O	O

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		
	Men	Women
Number of employees (headcount or full-time equivalent)	1,214	1,250
Number of training hours provided	94,570	97,199
Average training hours per employee	77.90	77.76

EMPLOYEE TRAINING HOURS BY POSITION				
	Senior Management/ Managerial	Managerial	Executive	Non-executive
Number of employees (headcount or full-time equivalent)	15	856	1397	196
Number of training hours provided	1,185	71,942	111,576	7,066
Average training hours per employee	78.97	84.04	79.87	36.05

PROGRAMMES CONDUCTED FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT ENHANCE LEARNING AND SKILLS FOR CURRENT EMPLOYEES		
	Programme 1	Programme 2
Type of programmes	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		
	Programme 1	Programme 2
Type of programmes	Leadership	Core
Scope of programmes	Middle to Senior Management	All Staff

TOTAL AND AVERAGE TRAINING HOURS SINCE FY2023			
	2023	2024	2025
Total training hours	156,967	197,598	191,769
Average hours per staff	65 hours	78 hours	77 hours

PERFORMANCE AND CAREER DEVELOPMENT REVIEWS BY GENDER		
	Male	Female
Number of employees who received a regular performance and career development review	1,214	1,250
% of employees who received performance and career development review	49.27%	50.73%

PERFORMANCE AND CAREER DEVELOPMENT REVIEWS BY EMPLOYMENT CATEGORY			
	Managerial	Executive	Non-Executive
Total number of employees	871	1,397	196
Number of employees who received regular performance and career development reviews	871	1,397	196
% of employees who received regular performance and career development reviews	35%	57%	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 2,464 employees as of 31 December 2025. There are 1,150 employees at HQ level and 1,314 employees at Branch level.

EMPLOYEES BY GENDER AND LOCATION

	Men	Women
Bankwide		
Total number of employees	2,464	
Total number of employees Bankwide	1,214	1,250
Percentage of men or women within the governance body	49.27%	50.73%
HQ		
Total number of men or women	1,150	
Total number of employees at HQ	598	552
Percentage of men or women within the governance body	52.00%	48.00%
Branches		
Total number of men or women	1,314	
Total number of employees at Branches	616	698
Percentage of men or women within the governance body	46.88%	53.12%

EMPLOYEES BY ETHNICITY AND LOCATION

	Malay	Indian	Chinese	Others
Bankwide				
Total number of employees Bankwide	2,464			
Total number of employees by ethnicity	2,291	27	66	80
Percentage of employees within the governance body by ethnicity (%)	92.98%	1.10%	2.68%	3.25%
HQ				
Total number of employees HQ	1,150			
Total number of employees by ethnicity	1,090	17	32	11
Percentage of employees within the governance body by ethnicity (%)	94.78%	1.48%	2.78%	0.96%
Branches				
Total number of employees Branches	1,314			
Total number of employees by ethnicity	1,201	10	34	69
Percentage of employees within the governance body by ethnicity (%)	91.40%	0.76%	2.59%	4.49%

EMPLOYEES BY ETHNICITY AND EMPLOYMENT CATEGORY				
	Malay	Indian	Chinese	Others
Managerial				
Total number of employees (Managerial)		871		
Total number of employees by ethnicity	787	16	45	23
Percentage of employees within the employee category by ethnicity (%)	90.36%	1.84%	5.17%	2.64%
Executive				
Total number of employees (Executive)		1,397		
Total number of employees by ethnicity	1,320	8	19	50
Percentage of employees within the employee category by ethnicity (%)	94.49%	0.57%	1.36%	3.58%
Non-Executive				
Total number of employees (Non-Executive)		196		
Total number of employees by ethnicity	184	3	2	7
Percentage of employees within the employee category by ethnicity (%)	93.88%	1.53%	1.02%	3.57%

GENDER DIVERSITY BY GOVERNANCE BODIES		
Governance Bodies	**Men**	**Women**
Board Member	5	2
Shariah Committee	6	0
MANCO	12	1

RATIO OF BASIC SALARY AND REMUNERATION BY GENDER		
	% of Basic Pay by Gender	
Governance Bodies	**Men**	**Women**
Managerial	34	23
Executive	17	21
Non-executive	3	2
Grand Total	**54**	**46**